

February 2015

**2015-02-27**

Board of Regents, Murray State University

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**Minutes of the Quarterly Board of Regents Meeting and Committee Meetings  
Murray State University  
February 27, 2015**

**Call to Order**

The Board of Regents (BOR) of Murray State University (MSU) met on Friday, February 27, 2015, in Quarterly and Committee Session in the *Jesse Stuart Room* in Pogue Library on the main campus of Murray State University. Chair Harry Lee Waterfield II called the meeting to order at 8:30 a.m.

**Moment of Silence, observed**

Chair Waterfield requested that a moment of silence be observed in memory of Jim Carter, Vice President for Institutional Advancement, who passed away on February 14, 2015.

**Roll Call**

The roll was called and the following members were present: Constantine Curris, Michael Dobbs, Sharon Green, Susan Guess, Martin Jacobs, Daniel Kemp, Phil Schooley, Harry Lee Waterfield II and Stephen Williams. Absent: Jenny Sewell and Jerry Sue Thornton. Dr. Thornton is under the weather and it was necessary for Mrs. Sewell to miss the meeting due to commitments for a large number of funeral services.

Others present were: Robert O. Davies, President; Jill Hunt, Senior Executive Coordinator for the President, Coordinator for Board Relations and Secretary to the Board; Jay Morgan, Provost and Vice President for Academic Affairs; Jackie Dudley, Vice President for Finance and Administrative Services and Treasurer to the Board; Don Robertson, Vice President for Student Affairs; Bob Pervine, Associate Provost for Graduate Education and Research; Renae Duncan, Associate Provost for Undergraduate Education; Bob Jackson, President, MSU Foundation; Fred Dietz, Associate Vice President for Enrollment Management; Renee Fister, Senior Presidential Advisor for Strategic Initiatives; John Rall, General Counsel; David Burdette, Interim Chief Facilities Officer; Michelle Saxon, Internal Auditor; and members of the faculty, staff, students, news media and visitors.

**AGENDA**

**Roll Call**

Secretary Hunt

**Minutes of the Special Board of Regents Meeting and Committee Meetings December 4, 2014\***

**Public Participation**

**Report of the Chair**

Chair Waterfield

**Report of the President**

President Davies

**Report of the Constituency Regents**

Regent Jacobs/Regent  
Schooley/Regent Dobbs

**Strategic Initiatives Plan Update (For Information Only)**

Bob Jackson/Tim Todd/  
Renee Fister

**Report of the Treasurer\***

(Quarterly Financial and Investment Reports)

Vice President Dudley

**Committee Reports/Recommendations**

**A. Academic Affairs**

Regent Thornton

- 1) New Doctor of Arts in English, Pedagogy and Technology\*
- 2) Establishment of an Honors College\*

- 3) Academic Unit Title Change – Continuing Education and Academic Outreach (CEAO) to Regional Academic Outreach (RAO) (For Information Only)
  - 4) New Ed.D. Area of Specialization in Agricultural Education Leadership (For Information Only)
- B. Audit and Compliance Regent Kemp
- 1) Audit Engagement Letter\*
  - 2) Office of the Internal Auditor Status Report (For Information Only)
- C. Buildings and Grounds Regent Curris
- 1) Waterfield Library Programmatic/Renovation Needs\*
- D. Enrollment Management and Student Success Regent Green
- 1) Spring 2015 Enrollment Report and Maguire Graduate Study Update (For Information Only)
- E. Finance Regent Williams
- 1) Budget Preparation Guidelines – FY 2015-16 Budget\*
  - 2) Authorization of 2015-16 Tuition and Mandatory Fees\*
  - 3) Professional Master of Business Administration Program (PMBA) Modifications\*
  - 4) Property Acquisitions\*
    - a. 1632 Olive Street
    - b. 909 Waldrop
  - 5) Tennessee Valley Authority (TVA) 5MR Contract\*
  - 6) Current and Planned Personal Services Contract Approval\*
  - 7) Data Security Presentation (For Information Only)
- F. Institutional Advancement Regent Guess
- 1) Office of Community Relations and Alumni Affairs Update (For Information Only)
  - 2) Office of Development Update (For Information Only)
- G. Regional Services Regent Sewell

NOTE: Full Board action will follow Committee action.

Gift-in-Kind Report\* President Davies

A. Branding, Marketing and Communication – 17,000 lbs. of 70# Vision Text and 16,000 Sheets Matte Text Paper (*Blue and Gold Magazine*)

Personnel Changes\* President Davies

A. Athletic Contracts

B. Salary Roster

C. 2015-16 Faculty Sabbatical Leaves

D. Staff Leaves of Absence Without Pay

Policy Changes\* President Davies

A. Campus Tobacco Policy

B. *Faculty Handbook* Policies
 

1. *Section 2.16.3.8* – Summer Session Compensation
2. *Section 1.7* – Submission of Proposed Amendments and Additions (For Information Only)
3. *Faculty Handbook Bylaws, Section 1.4.2.2. – Article V* – Election of Departmental Senators (For Information Only)

C. *Board of Regents Policy Manual* – New Travel Policy

Honorary Doctorates\* President Davies

Resolution of Appreciation – James (Jim) F. Carter President Davies

(Will occur at 8:30 a.m.)

Closed Session (Will occur at 11:30 a.m.)

- A. Personnel Matter
- B. Pending Litigation

Other Business

Adjournment

(\*Requires Board of Regents Action)

**Minutes of the Special Meeting and committee Meetings on December 4, 2014, approved**

Ms. Green moved that the minutes of the Special Board of Regents Meeting and Committee Meetings on December 4, 2014, be approved as submitted. Mr. Dobbs seconded and the motion carried.

**Resolution of Appreciation, presented**

Dr. Davies indicated he is probably the least qualified person to speak on behalf of the University in regard to Mr. Jim Carter as he has only been able to work with him for the last eight months. During that timeframe Jim's passion for this institution and its students and opening higher education up to all is evident. It is with a deep heart that he presented the following Resolution of Appreciation to Debbie Carter, wife of Jim Carter:

***MURRAY STATE UNIVERSITY  
BOARD OF REGENTS  
RESOLUTION OF APPRECIATION***

***James F. (Jim) Carter***

**WHEREAS**, in 2015 James F. (Jim) Carter completed 27 years of distinguished service to Murray State University. Jim carried out his responsibilities with notable enthusiasm, extreme loyalty and unquestionable thoughtfulness to the University; and

**WHEREAS**, his service to Murray State University as Director of Student Activities, Director of the Curris Center, Director of University Relations, Executive Director of the Alumni Association and Vice President of Institutional Advancement has been marked by working diligently and passionately on behalf of students, faculty, staff and alumni; and

**WHEREAS**, during his tenure he supported and assisted with the advancement of countless University initiatives, alumni programs, unique and creative marketing and public relations projects, student recruiting efforts, concerts and programs for our students, faculty, staff and alumni, completion of the CFSB Center and construction of the *Sid Easley Alumni Center*, to name just a few. He supported and encouraged the professionals who worked with him and served as a trusted mentor to many. He participated in all of these endeavors with extraordinary passion and zeal.

**WHEREAS**, in January 2015 Jim, along with family and friends, as one of his last professional acts, established an endowment with the Murray State University Foundation, *Carter's Kids on Campus*, to continue his legacy of assisting students, high school groups and families in visiting campus in order to show students our university and to tell the story of Murray State's founding premise of hope, endeavor and achievement; and

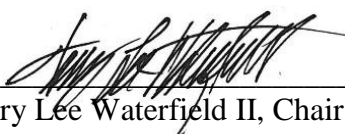
**WHEREAS**, Jim was a proud alumnus of Murray State University, holding a Bachelor of Science degree in Journalism and a Master of Science degree in Journalism and Mass Communication. He was a loyal alumnus of the Epsilon Lambda Chapter of Pi Kappa Alpha Fraternity, having served as its President, Chapter Advisor, Housing Corporation member and the only individual from Epsilon Lambda to serve as a national advisor where he worked with other chapters across the nation; and

**WHEREAS**, on February 13, 2015, Jim lost his year-long battle with cancer but worked to advance Murray State University until the very end. He is survived by his wife Debbie Emerson

Carter, his children – Austin Emerson Carter and Amanda Story and husband D.J. and a grandson, Carter Kent Story. He will be forever remembered for his love of family, friends, his special love for Murray State and life in general. Jim had a special way of making everyone feel important and appreciated; and

***NOW, THEREFORE, ON THIS 27<sup>th</sup> DAY OF FEBRUARY, TWO THOUSAND AND FIFTEEN, BE IT RESOLVED*** that the Board of Regents of Murray State University remembers Jim Carter and expresses their deep appreciation for his long-time and dedicated service to the University and their abiding respect and esteem for his many contributions to the Board;

***AND BE IT FURTHER RESOLVED*** by the Murray State University Board of Regents that this recognition of the contributions and dedication of James F. (Jim) Carter be preserved in the Minutes of this Board and that copies be provided to the members of his immediate family and to the community news media.

  
Harry Lee Waterfield II, Chair

Chair Waterfield expressed appreciation to Mrs. Carter for being present today. All thought a great deal of Jim and his contributions to this University. He has known Jim for approximately 26 years and he is one of the first people Mr. Waterfield met on campus. He did not realize at the time that he had only started working at the University one year before Mr. Waterfield became a member of the MSU Foundation Board of Trustees in 1988. Jim was always someone he felt comfortable approaching.

### **Public Participation**

Chair Waterfield reported there were no signees for the Public Participation portion of the meeting.

### **Report of the Chair, received**

Chair Waterfield expressed his personal appreciation and the appreciation of the Board to the administration of this University and to faculty, staff and students for their understanding, cooperation and hard work over the past week in handling the difficulties associated with the winter weather and the campus closure. Students continued to be fed and the grounds crews worked diligently to clear campus to ensure the safety of all. This represented a tough week and Saturday early afternoon he received a phone call from Dr. Davies and, while he expected to hear everything was okay on campus, instead Dr. Davies indicated there were water issues in some of the buildings due to frozen gutters and ice. He expressed special appreciation to the Facilities Management team because they worked day and night to keep things running. The administration has undertaken a great deal of planning throughout the year, particularly over the last eight months, with Tennessee Valley Authority (TVA) issues to get prepared for such emergency situations and those efforts paid off. Chair Waterfield further reported:

- He, along with Dr. Davies and Dr. Curris will attend the Association of Governing Boards (AGB) National Trusteeship Conference in April and Dr. Curris will make a presentation during the event.
- Dr. Davies and other University personnel are required to be in Frankfort quite often. About three weeks ago Drs. Davies, Jackson and Fister, as well as Susan Guess and Murray city and county officials, were in Frankfort. The University representatives met with the Council on Postsecondary Education (CPE) and one morning the University hosted a breakfast for the leadership of both houses of the legislature and legislators from Murray State's 18-county service area. He and Dr. Davies had dinner later that evening at a particular restaurant frequented by legislators. While there were not many legislators present because the Legislature was not in session, several individuals who work around the legislature were present and recognized Dr. Davies and made a point to stop by their table. One couple has a granddaughter at Murray State and they discussed this with Dr. Davies. He asked for her name and email address and indicated he would contact her. Dr. Davies did reach out to the student and copied Mr. Waterfield on the email. The student replied to Dr. Davies and they now have a rapport. This shows Dr. Davies' connection to students, their parents and their grandparents.
- He is very pleased with how Dr. Davies has kept him – and the Board – informed. When Dr. Davies calls with an issue he normally has a good idea how he wants to handle a situation but he does not mind asking the opinion of the Board and is willing to listen and take advice. Dr. Davies is strong enough to do this and even though the Board sometimes changes how it wants to handle a situation

the President is willing to accept that advice. He stays connected with the Regents and keeps them apprised of various situations so the Board is never surprised.

- Appreciation was expressed to the Men's Basketball Team for a great season and winning the Ohio Valley Conference (OVC) Regular-Season Championship. Coach Steve Prohm was also congratulated for the earliest win of 100 games in Murray State's coaching history.

Ms. Green reported she received a phone call on her way to the meeting this morning from a father who asked her to publicly express appreciation to Dr. Davies for sending a note to his daughter. His daughter was considering Murray State but was also looking at the University of Louisville (UofL). Dr. Davies' note to the prospective student made all the difference and she is now coming to Murray State. The dad wanted to express appreciation because the President saved him time, money and worry.

### **Report of the President, received**

Dr. Davies reported the following:

- The winter weather last week represented a test for the University on many fronts. The University had to deal with an external event which it had absolutely no control over and how that was handled as an institution directly correlates to the University's values. It can be said that the University is student-centered, it supports the community and has excellence in all it does but when an event like last week occurs that is when the true colors come about. Last week 96 Facilities Management individuals answered that call. These individuals could have stayed home and taken care of their own families but they chose to answer the call and serve the institution. Sixteen Public Safety officers worked 12-hour shifts, 47 professional staff were on hand and 51 Dining Services personnel were on campus (out of a total of 52 staff members). The one person who did not show up was deathly ill. For a team of professionals to answer that call and do so in this manner was incredible. The University has received and continues to receive comments far and wide about the way the administration handled the situation. It is interesting that several individuals have talked to the faculty and staff Regents about why the City stopped plowing after Murray State because the grounds on campus looked so spectacular. This truly represented a team effort.
- Even though from the outside this event was handled very smoothly, a lot of lessons were learned throughout this process and the administration will continue to evaluate those lessons and recommendations which have been suggested. The power of testing the University's various systems cannot be overstated. Mr. Burdette and the Facilities Management team have been testing all facilities to ensure if the University faces a situation like it did last week it is ready. Generators were tested and necessary supplies were on hand in the appropriate facilities. Ms. Dudley planned for the recovery effort and ensured the appropriate pictures and documentation could be provided for insurance claims. The University was much more prepared in this area than it was one year ago. Key members of the Facilities Management team actually stayed on campus 24 hours a day. They were housed in the residential colleges and the Curris Center so they were physically on campus and could literally be "on the ground" at whatever time they were needed to deal with elements of the situation as they were developing.
- Communications to students, faculty and staff were presented in a very timely and forward manner with a detailed explanation of why certain decisions were being made. Internal emergency meetings were held on campus at a set time every day to establish a plan and maintain constant internal communication. Each individual at the emergency planning meeting brought necessary information to the table to make appropriate decisions. This represented an amazing team event. It was a time when all the silos were broken down and all literally worked hand-in-hand for the betterment of the University. That spirit not only continued throughout the week but it continues today in much of the work which is being undertaken. This represented an exact case study of how prepared this University is for anything that is thrown at it. He personally thanked all who were involved.
- University representatives visit Frankfort frequently but are now making the trip along with city and county leaders. This effort will be expanded to include city and county leaders from within the 18-county service region as the University agenda is developed. This work is not only being undertaken in Frankfort to prepare and advance important issues for all involved but these entities are working to support Murray State issues and the University is working to provide assistance with city and county issues. One serious issue which must be dealt with is 16<sup>th</sup> Street. A plan has been proposed to address this roadway and there is concern whether an option which is in the best interest of the safety of students is being pursued in a timely manner and by the most cost effective means possible. Work will continue with the Mayor and the County Commissioner to ensure the issue is studied and the University administration will enter into these conversations with an open mind to determine feasible options. The impact of Murray State University on this community is immense and this must be recognized. City and county leaders are helping in this effort to ensure what is done for Murray State students is also what is best for the community.
- A new program is being instituted with the CPE in terms of how the University works with K-12 schools. The program being moved forward is called *Kentucky Rising* and Murray State is among the first universities to grasp and involve itself in the program. This initiative is currently being led by

Dean Dave Whaley, College of Education and Human Services, in conjunction with Dean Ted Brown, College of Humanities and Fine Arts, to work with K-12 Superintendents. This past Wednesday Dean Whaley and the Superintendents had a very robust meeting to move this agenda forward because the University must ensure future educators are being prepared in the best manner possible for the school districts as well as having the school districts ready to accept those teachers and move them forward through their planning processes.

- Outreach efforts throughout the area continue and this past month the Paducah Advisory Committee meeting was held where University officials met with McCracken County and Paducah, Kentucky, leaders and part of that discussion focused on enrollment growth in the area. The latest enrollment figures for Paducah/McCracken County indicate that for Summer 2014 there were 257 students, 2,202 students for Fall 2014 and 1,029 students for Spring 2015. The University had a goal of reaching 2,000 students within three years but is exceeding that goal now. The *Memorandum of Understanding* contains the provision that if the University is able to maintain this level of enrollment for four consecutive years during any point during the bond repayment period it will own the facility once the final bond payment is made. This past week a *Memorandum of Understanding* was signed with Madisonville Community College for a new higher education facility on that campus and the effort is close to raising the necessary funding of \$5 million. In Hopkinsville the University is currently in the bidding process to complete the facility and construction will begin shortly. The University continues to move forward on these different fronts.
- The Board was presented with a Spotlight on Regional Impact Report and, under the direction of Executive Director for Regional Outreach Gina Winchester, work is taking place with regard to four major grants – Fun with Languages, The Next Big Thing, Chamber Music in Regional Schools and Take a Kid Fishing. All four programs are being funded through the Regional Outreach Office and have a direct and specific impact on the University Community.
- As Chair Waterfield mentioned, Dr. Davies is burning up the road to Frankfort backwards and forwards. An important legislative item of which the Board should be aware is performance and outcome funding. This is a Bill which is currently moving through the legislative process and would alter the way the University is funded based on performance and outcomes. How this bill twists and turns through the legislative short session is yet to be determined. A hearing was held yesterday and one particular university has presented an all-out assault on this Bill so it may not pass. If the Bill does not pass, some sort of legislation can be expected in the following session. Regardless, the focus on accountability measures for higher education is increasing and will continue to significantly increase. As the University considers its strategic planning process – the way students are recruited and how the budget is structured – it must be taken into consideration these will be impacted by this legislation. If this specific legislation does not pass other measures of accountability will be forthcoming and the University must be prepared to respond. The Strategic Plan will be discussed later but many of the items which are part of the performance package are already covered in the University's strategic planning process as part of good management. A second item which is moving through legislation is a Bill that would impact this Board specifically in terms of Board training. Several legislators have made note of two or three universities which have had significant misfortune placed upon them over the last three or four years. One call is to ensure governing bodies are very well and specifically trained in terms of what it means to be a member of a Board of Regents. The goal for this Legislative Session is to ensure Murray State is able to maintain training efforts and not have an outside-imposed boiler plate action. Murray State is very different from the other universities and while he believes in the training and thinks it is important, he must be able to ensure the institution can maintain the training.
- Work is also underway in terms of branding, marketing and communication efforts. The University's website is brand new and whenever a decentralized website is converted into a new area there are bumps and bruises along the way and there are some broken links which will need to be fixed. The new design also points out the importance of the website to the University's external community. The new website is very much reflective of the target audience – students.
- Work is also underway to implement the recommendations the Ratings and Rankings Committee put forward and a very aggressive marketing campaign aimed at peer institutions is underway so they understand the quality and excellence of Murray State University. As has been discussed over the past six months, ratings and ranking in *U.S. News and World Report* are very important to this institution – as they should be. The University's academic quality ranking over the past five to six years has stayed at the same level even though the institution has improved greatly. The key is how to ensure the University's peers know about this improvement and that is the emphasis of this work.
- Administrative changes are being made, a few of which were discussed and approved at the December Board meeting. Consideration continues to be given to the appropriate structure for Murray State. He foresees the institution maintaining three Vice Presidents but this represents only a working hypothesis that is being advanced at this time. There are several areas within the division of Institutional Advancement that are being reviewed to determine the best fit for those units and whether there needs to be a Vice President over those units. Consideration is being given to moving the administrative report of the CFSB Center under the Athletic Director because those two areas have very similar missions and goals and it is important for them to share a good working relationship. Alumni and Development are important components of this University. The University is and must be positioning itself for a significant Capital Campaign in the very near future and is

currently in the quite phase of that work. In looking at internal and external bodies an effort is being made to determine where synergies can be maintained or created. WKMS radio station represents an amazing asset for Murray State but a determination must be made about how that entity can be leveraged, through news content, for the betterment of the University and academics. The appropriate conversations to accomplish this work are being held internally, as well as externally, and the Board will be presented with a revised organizational chart in June as part of the overall budgeting process.

- Over the past month he has talked a lot about hope, endeavor and achievement and, while he firmly believes in these three pillars, it must be determined how they are put into action. Efforts are being concentrated on academic rigor, relevance to students and the community (economic and cultural development and civic engagement) and excellence. If the University is able to have rigor and relevance it will move forward in its mantra of being excellent and the “University of Choice.” As all areas of the University are discussed it is with the notion of rigor and relevance leading to excellence and this is in line with the foundation of this University.
- The Regents were asked to mark April 10, 2015, on their calendars. The Groundbreaking for the Engineering and Physics Building will be held and later that afternoon the Investiture of his presidency will take place. Incredible feedback is being received from many universities and colleagues and peers who will be present for those events. It truly will be a day to celebrate this great University.

### **Reports of the Constituency Regents, received**

#### **Faculty Regent**

Dr. Jacobs reported the following:

- His report today will focus on ways faculty are seeking professional development. The Faculty Development Center (FDC) provides opportunities for ongoing discussions about pedagogy and instructional design in an effort to bring curriculum, instruction and assessment together in high quality ways. Appreciation was expressed to FDC Coordinator Lilia Murray for the details provided in this report.
- The work of the Center is accomplished in one-on-one and group settings through faculty consultations, classroom visits, faculty learning communities, workshops and conferences. Collaboration is undertaken with people and programs on the Murray State campus and beyond to support the advancement of engaging pedagogies and effective instructional design. The FDC supports the University’s core mission of teaching excellence by helping to cultivate an institutional climate that values, promotes and rewards teaching excellence.
- As of February 15, 2015, the Center has been open for six months. In addition to Coordinator Lilia Murray, Camme Cain serves as Program Development Assistant and Justin Patton serves as a part-time Media Technician.
- Highlights over the past six months include:
  - July-December 2014 – The FDC offered 71 pedagogy and instructional design workshops with 487 faculty attendees.
  - The Fall Forum event aligned with Murray State’s Quality Enhancement Plan (QEP) of Experiential Learning and was titled, “Get Out of the Classroom! Use Experiential Learning to Promote Deep Learning.” Dr. Gregory Lorenz, Vice President of the National Society for Experiential Learning, was guest speaker and this represented a two-day event with 80 faculty participants.
  - The Faculty Teaching Fellows Program offers opportunities for faculty members to provide professional development and peer support to other faculty. Fellows were selected from among full-time faculty to work with the Faculty Development Center on focus areas to improve student learning. The five Faculty Teaching Fellows are: Dr. Terry Derting, Professor of Biological Sciences; Dr. David Fender, Professor of Occupational Safety and Health; Dr. Iin Handayani, Associate Professor of Agricultural Science; Dr. Meagan Musselman, Assistant Professor of Adolescent, Career and Special Education and Dr. Latricia Trites, Professor of English and Philosophy. The Teaching Fellows offered five workshops with 57 faculty participating in this ongoing effort.
  - The FDC produced 22 videos which included recorded workshops and various video series discussing teaching and learning. The work of Professor Ricky Cox – *Brown and Logan Endowed Chair in Pre-Medicine* and Professor of Chemistry and an interviewer in a number of the “Talking about Teaching” videos – was highlighted. An example of the “60 Seconds on Teaching” series was shown to the Board to provide a student perspective. The video illustrates the curricular coherence on campus to work within and across programs.

Dr. Curris commended Dr. Jacobs, the faculty, Academic Affairs and the administration for their efforts to re-establish a Center for the advancement of teaching on campus. This represents the most important function of a university like Murray State and providing a resource base to benefit faculty and help strengthen the teaching function should be at the top of the list and a key



component of striving for academic excellence. He commended all involved in this initiative and appreciates the information being shared with the Board.

### Staff Regent

Mr. Schooley reported the following:

- Appreciation was expressed to all Murray State staff who worked diligently last week to get the University ready for students to return to campus this past Monday. Without their assistance getting students back to classes on schedule would not have been possible. The Building Service Technicians came in and cleaned and really did a little bit of everything. Dining Services staff stepped in again – as they did last year during the ice storm – and ensured none of our students missed a meal. The officers and support staff in Public Safety kept everyone safe regardless of the weather and the Housing staff and Residential College Heads helped to ensure student needs were being met. Health Services provided students with medical assistance and the Wellness Center, Waterfield Library and WKMS employees helped provide relief from cabin fever. This truly represented a team effort.
- Two events hosted in December by Staff Congress were the Children’s Christmas Party with over 175 in attendance and the Staff Holiday Reception with approximately 300 attending. The members of the Staff Special Events Committee were commended for an excellent job coordinating these two events and appreciation was expressed to Staff Congress members who participated.
- The *Staff Congress Newsletter* has been released and the Staff Regent election will be held March 10-12, 2015. Mr. Schooley is running unopposed and will serve for another three-year term.
- The Board was provided with a copy of the entire 2014 Staff Perspective Survey as well as a report of the results of the survey. The response rate was 52.8 percent (513 individuals). For the last two to three years the main comments have pertained to salary increases and parking. This information will be posted on the Staff Congress website and the Board was encouraged to review the concerns expressed in terms of pay raises.

Dr. Davies commended the Staff Perspective Survey and indicated there are numerous comments and he has read each of those comments. Many of the identified issues are being addressed and although there were several comments which he had not heard before those issues will be added to his agenda. The results of the Staff Perspective Survey are extremely helpful to him and the leadership team and they are taken seriously.

### Student Regent

Mr. Dobbs reported the following:

- Student athlete accomplishment highlights include:
  - 184 named to Deans List during at least one semester;
  - 81 earned a perfect 4.0 grade point average during at least one semester;
  - 21 earned a perfect 4.0 grade point average for an entire academic year;
  - Soccer Team won the National Soccer Coaches Association of America College Team Academic Award;
  - Eight softball All-Americans in the National Fast-Pitch Coaches Association;
  - Intercollegiate Tennis Association recognized Women’s Tennis Team for academic distinction;
  - Rifle Team received All-Academic Award Team status; and
  - Volleyball Team won the 2014 OVC Championship.
- An initiative sponsored by the Women’s Center involved Jessica Grounds, co-founder and member of the Running Start Board of Directors, who spoke on women in leadership. This represents a political action committee dedicated to empowering young women under the age of 40 to become involved in politics, become leaders in their community and become involved at the state and national level. This free event was open to all students and was well attended. Ms. Grounds did a great job making females on campus feel empowered to run for a Student Government Association office, leadership positions within their sororities or within fraternities or an office within other student organizations.
- The Office of Student Disability Services hosted Missy Jenkins Smith, Heath High School shooting survivor. Ms. Smith has spoken on the Murray State campus on several occasions and the first time he heard her speak was at the Institute for Future Agriculture Leaders hosted by MSU and sponsored by the Kentucky Farm Bureau. She is a phenomenal nationally-recognized speaker and shares a very encouraging story.
- Last semester he was in Public Safety and Interim Chief Roy Dunaway asked if he would like to tour the facility. One thing that stood out to him is the work they have done on behalf of victims of violent crimes. A photo of Public Safety’s “Soft Room” was shown and prior to having this room the victims of violent crimes were interviewed in the same room as the suspect – a stereotypical cinder block room with fluorescent lighting – certainly not a good location for a victim of a serious crime. The work that Interim Chief Dunaway has done to develop the Soft Room is phenomenal. The room has a very soft setting with soft lighting and a comfortable seating area in which to interview the

victim. The room is equipped with recording equipment so the victim does not have to repeat their story. They can tell their story one time in front of the interviewing officer and that conversation can be replayed for counselors and later as needed during the investigation. This represents a quality initiative which has been implemented to put students first and Public Safety is to be commended for this work.

- The “Snowapocalypse” of 2015 was upon the University a number of days ago and photos were shown of students enjoying the snow. Students genuinely appreciated the steps taken by the administration and the communication distributed to keep them informed, as well as the fact that the safety of the students was being taken into consideration.
- The highlight event for SGA – in conjunction with the President’s Office and the MSU Foundation – was the 2015 Presidential Lecture featuring Chuck Todd, NBC News’ Political Correspondent and Host of Meet the Press. Mr. Todd did a phenomenal job and all believe he really enjoyed his time at Murray State. He was truly a stand-up guy.

Chair Waterfield expressed his apologies to the Volleyball Team for not mentioning earlier that they also won the Ohio Valley Conference Championship.

### **Strategic Initiatives Plan Update, received**

Dr. Davies indicated this represents an exciting time for Murray State. Almost one year ago when he was a candidate for the presidency of this University, discussion was occurring on the vision and direction for Murray State and how to create momentum for a multi-tasking university with so many opportunities, build off of the institution’s many different strengths and advance in a single direction. Part of this discussion centered on developing a strategic planning process as quickly as possible and he is pleased to report that this effort has been launched with a great deal of vigor and through the efforts of many individuals. The process has allowed all to think about the University – where it was, where it is and, most importantly, where it can go. Work associated with the planning process is being undertaken and ways to mobilize resources are being considered. All have also been asked to think about the future impact of technology and changes in legislation and to dream about how this institution can move forward. This represents a very intensive and integrated approach and numerous committee and Town Hall meetings have taken place. Yesterday the Association of Governing Boards (AGB) released its latest magazine which contains an article entitled, “Successful Strategic Planning: Some Common Themes across Higher Education, Business and Government.” This article outlines four themes which make up a successful strategic plan. The first is that successful plans are focused on three to four key priorities. Murray State University is proposing four. The second is that metrics are clearly identified and monitored on a regular basis. Every element within the proposed MSU Strategic Plan has an associated objective measure. In addition, as the plan continues to move forward, there will be specific individuals, offices or departments that will be assigned to lead that very effort. The next bullet is that budgets are aligned to support the plan. The University is in the process of meeting this objective and the Board will later discuss budgetary priorities for the institution. Budget planning priorities were presented to the Board in December and later today discussion will occur on how to actualize that work. The administration is melding the budget priorities and the Strategic Plan. The final element outlined by AGB is that the Board is committed to the Plan and supports the desired outcomes. Information is being shared with the Board today to further this goal. Over the past three weeks since the Plan has been drafted Dr. Davies has talked specifically with Regent Thornton about this Plan to secure her viewpoint as a former sitting President and Chair of the Board Academic Affairs Committee because he believed it was very important to have that discussion. Dr. Thornton provided amazing insights but was also supportive of the ideas and thoughts behind the Plan. He also had discussions with Regent Curris about the Plan and he, too, had very specific thoughts and ideas which have been shared. The administration is working diligently to ensure the Board is involved in and supports the proposed Plan. The fifth bullet he would add to the AGB document is aspiration. The administration is putting forth in this Plan many goals, objectives and measures and it is not expected that every one of those will be achieved. This is not undesirable because if the administration knew it would achieve every single element it is proposing they would not represent aspirational goals. The University is stretching itself and his question to the leaders of this initiative is that every time they put forth an idea, vision or metric he asks whether that will stretch the institution enough. This represents a fine balance – as Dr. Thornton also pointed out – because the Strategic Plan provides the Board with an opportunity to evaluate him as President. Most of the goals contained within the Strategic Plan will be achieved but there will be those that represents stretches. This is important because such goals will help the University grow and move forward. The vision that is established for the Strategic Plan – which the Board approved

some time ago – is to build on a reputation for Murray State as one of the best student-centered comprehensive universities in the nation. Murray State’s aspirational statement is that it does want to make sure this University is viewed as a premiere university – a University of Choice – whether it be for students attending MSU, recruiting a faculty or staff member, a community organization desiring to partner with the University, a Foundation wishing to provide grant funding to support research efforts or the like. It is with this idea in mind that the campus community has been engaged led by an outstanding Executive Committee representing a wide range of faculty, staff and student talent across all areas of the University.

Academic Excellence; Student Success; Scholarship, Research and Creative Activity and Community Engagement have been established as the four pillars of success for the Strategic Plan. The exciting part of this work is that when all are working to advance these goals and objectives a Venn diagram is being created. Academic success has a direct impact on student success. Community engagement has a direct impact on academic programs and student success. Research goes hand-in-hand with how to engage students and the academic community and how to work with community efforts. In his initial discussion he talked about rigor, relevance and excellence and these are also elements which represent the driving force behind the Strategic Plan. When this work is brought to conclusion, rigor, relevance and excellence will represent the paramount viewpoint of the Plan. The Chairpersons of the four committees and members were asked to stand and be recognized.

Dr. Jackson, Dr. Fister and Dean Tim Todd, *Arthur J. Bauernfeind College of Business (AJBCOB)*, presented the following:

- As work began all agreed that reflection must occur on how to move this University forward. Even though there were negative aspects associated with this work which had to be addressed, all put on a smile and moved forward and that is why each Board member has been provided with smiley face buttons.
- In terms of the timeline, in March Town Hall meetings will be held and committee meetings will continue. On April 11 the Strategic Plan will be presented to the MSU Foundation Board of Trustees and to the Board of Regents on June 5.
- The Strategic Plan has been discussed with the Deans Council and conversations will be held with the Chairs Council, Faculty Senate, Staff Congress and the Student Government Association. The draft Strategic Plan can be found on the strategic planning website and venues for comments have been provided through a phone call, personal conversation, email and text messages and all were encouraged to provide feedback.
- Over the past six months 20 different committee meetings have been held with the leadership of the Committee Chairs who are taking on this work in addition to their other responsibilities. Seven Town Hall meetings have been held. At the request of students, a Town Hall meeting specifically for students was held in January and 80 different students with diverse backgrounds participated and asked very good questions. Town Hall meetings were also held for faculty and staff which were open to anyone in the community to provide insight on how the Strategic Plan should be developed. Four future Town Hall meetings are planned during March and April. Information will be provided to the Board on each of the four pillars of the Strategic Plan.
- Dr. Todd reported the following regarding **Advancing a Culture of Academic Excellence**:
  - The goal of this pillar is to create and enhance academic programs that will propel Murray State to be recognized as the Commonwealth’s premiere public university and the University of Choice.
  - One objective is to promote academic achievement that offers exceptional learning opportunities. Ways to measure the achievement of this objective include enhancing the University’s national quality rankings – ranking in the top 20 of the regional universities in the South and in the top five among public universities in the South – in *U.S. News and World Report*. Murray State has ranked in the top tier for the past 24 years – 26<sup>th</sup> regional in the South, 9<sup>th</sup> among the top public universities in the South and 6<sup>th</sup> among the best schools for veterans. In 2014 the University was named among the best colleges to work for regarding the teaching environment. There is a desire to enhance this work and further improve on these rankings.
  - Last fall there were a total of 372 students in the Honors Program and the desire is to increase the number of students participating by 25 percent – a measure to further enhance quality. Another measure to improve quality is to increase terminally-degreed faculty to 84 percent (currently 80 percent).
  - There is an objective to enhance high-quality curricular, co-curricular and experiential learning experiences. This will be measured by increasing student participation in research and creative activities during *Scholars Week*, *Posters-at-the-Capitol* and through other initiatives. Last fall there were 29 participants in *Posters-at-the-Capitol* and 132 participants during *Scholars Week* (24 graduate students).
  - There is an objective to enhance efforts to recruit, retain and engage a diverse, creative and outstanding faculty and staff. In measuring this objective strategies will be formalized to meet or

exceed the benchmarks set forth by the *MSU Diversity Plan*. Current data shows that 41 percent of underrepresented minorities graduate within six years and that percentage needs to increase.

➤ Dr. Jackson reported the following with regard to **Student Success**:

- The Strategic Plan represents a roadmap and appreciation was expressed to Dr. Davies and faculty, staff and students who have been supportive of work undertaken to date.
- There are four key objectives pertaining to student success. The first is promoting a dynamic and diverse university community committed to student success (includes recruitment, enrollment, retention and graduation). The six-year graduation rate for first-time, full-time freshman students is currently 53.1 percent and the goal of 58 percent is being proposed. Recruiting efforts must be enhanced in the 18-county service region and a goal of increasing the percentage of students from this area who enroll at Murray State by 20 percent is being advanced. There are approximately 2,600 students graduating from high school in the University's 18-county service region and Murray State is currently attracting slightly over 20 percent of those students – which is consistent with other public universities in the state. This will not be an easy measure to attain. An emphasis will be placed on increasing student recruitment and enrollment from metro areas within the Commonwealth by 50 percent. Growth in the local region is fairly stagnant but high school student populations in metro areas are growing. This represents a very aggressive goal. Retention is also key to the success of this work in terms of retaining first-time freshmen to the second year and the goal is to increase the first-time, full-time freshman cohort from 72.4 percent to 78 percent and increase the residential freshman class from 1,172 in FY14 to at least 1,250. These represent students who live on campus and participate in student government, become members of Greek organizations and are involved.
- The second objective is to enhance opportunities and expand programs for global education and campus internationalization. The enhancement of study abroad opportunities is key because good universities promote such initiatives. There is a desire to consider opportunities from a scholarship standpoint to also assist in this effort.
- The third objective is to continue the development of a Residential College System to promote student academic and social integration for enhanced retention and graduation efforts. A suggestion has been made for Dr. Davies to create a Residential College Task Force to consider a potential new Honors College with an associated residential component.
- The fourth objective is to provide academic and support initiatives to enhance the educational environment. This involves creating new pathways for student success. Many students are coming to Murray State underprepared and a focus must be placed on this area so the University can do a better job providing a pathway for success for these students so that they graduate. Work continues toward this goal with the local community colleges but also internally in terms of academic options and the University's Community College to promote avenues of success. There are a number of opportunities to increase overall graduation rates and retention in this area.

Dr. Curris reported that a recent study has addressed student indebtedness. Student indebtedness is now greater in this country than credit card indebtedness. All should step back for a moment and recognize a new debtor class has been created in this country – students who pursue higher education. Indebtedness carried by students pursuing higher education is greater than credit card indebtedness in this country and that represents a serious problem. He does not want to rehash the abandonment of the support of education by legislators – and other reasons this level of indebtedness has been reached – but the study released this week pointed out that in terms of forfeiture on indebtedness (defaulting on payments) surprisingly students with \$20,000 and less total debt have higher default rates than individuals with \$100,000 indebtedness. There are many students who come to college and do not earn a degree but still have the debt. Much of the advantage and the ability to pay off that debt is lost when students do not graduate and it is not surprising students with \$20,000 or less debt have higher default rates because they did not complete a college education. Among the weakest students admitted to Murray State in terms of high school preparation a graduation rate within six years of a maximum of 19 percent has been reported if those students have to take the maximum allowed three remedial courses. He believes Murray State – as part of the strategic planning process – needs to seriously consider whether it is doing great disfavor and disservice by accepting students it knows have very little chance of succeeding and whether it should continue to admit those students. These students are being saddled with debt and statistically it is now known they will have difficulty paying off that debt. What is in the best interest of those students and the University must be considered. This is not a mandate, but throughout this deliberative process serious consideration should be given to revising the admission standards at Murray State so students accepted to the University – if they truly put forth an effort – are capable of succeeding. The University is doing a disservice by accepting students who statistically do not have that capability. There are available options to assist in this work by virtue of the presence of the area community colleges. Students who have little prospect of succeeding can demonstrate they have the capability in the community colleges and at that point Murray State would gladly accept those students.

Dr. Davies appreciates Dr. Curris' comments and believes as part of this process it is incumbent upon the administration to meet the University's ethical obligation. This is a public university that serves the 18-county service region and the Commonwealth in many ways. Dr. Curris is asking the right question and it must be determined whether – through service – the institution is setting individuals up for failure. The University is currently at a juncture where it cannot continue to admit students – given current structures and processes in place – who will not succeed. This represents a decision point and it can be determined as an institution Murray State desires a 90 percent or higher acceptance rate but the University will then need to ethically and morally put forward the necessary resources to serve that need and for students to succeed. Murray State can achieve many of these goals and ensure success of students who are not ready for the college experience in a variety of different ways. He is not advocating for Murray to have a 90 percent or higher acceptance rate because that would result in other ramifications leading to a disservice to the University's region. Part of the proposed Strategic Plan is to increase first-time residential freshman by roughly 6 percent and this represents a modest growth rate over seven years. Also included is a goal of increasing the ACT average composite score from 22.6 to 25 or higher. Later Mr. Dietz will discuss the four tiers of students admitted to Murray State and how to find different pathways for those students who are graduating from high schools but are not ready to take on the rigor – either academically, emotionally, socially or do not have a network of support – to be successful at a university like Murray State. The University is increasing academic rigor and in doing so is ensuring that programs are relevant to meeting and serving the needs of the community. The institution is walking a fine line and he does not want to say Murray State is becoming an elite university because that is not the intent. When students come to Murray State they need to have the level of preparedness necessary to succeed. Statistics show that many individuals enter higher education but are not prepared and become burdened and this represents a disservice and does not live up to the mission of a University. Mr. Dietz will report that approximately 150 students are in this bucket today and the institution must identify different pathways for these individuals. Giving this charge to those individuals most involved in this work has led to the development of some interesting solutions. Part of the strategic planning process is to question how success and moving forward are viewed. During one of the student forums a question was asked about how the University would handle 15,000 to 16,000 students but he does not believe that is within Murray State's mission. The University's mission is to ensure it has the right students that will add academic rigor and provide relevance by their presence on campus and this will lead to greater academic excellence. He supports the comments made by Dr. Curris and provided assurance the administration is walking down that pathway. In his conversations with many faculty all agree that elevating this notion is required while at the same time maintaining the commitment to service to the region.

Mrs. Guess indicated that increasing the ACT score has been proposed and asked how many students this change would have affected last fall. Dr. Jackson reported that for those students admitted to Murray State requiring the maximum allowed three remedial courses, the six-year graduation rate is a maximum of 19 percent. Focus on this group will be provided in a different and better way. Approximately 80 percent of students are unconditionally admitted to Murray State and require no remedial courses and between 350 and 360 students each year have some type of conditional entry. The 150 students Dr. Davies earlier referenced are more concerning because they require two or three remedial courses and students requiring two remedial courses have a 26 percent six-year graduation rate and those requiring three remedial courses are at 19 percent. One remedial course is not uncommon and is not bad from the standpoint of Murray State being able to do its job in the correct way. In considering the group of 150 students and in looking at their ACT scores, the entry rate to Murray State will change dramatically and quickly because the University will be taking this pool of students and looking for different pathways such as certificate programs, associate degree programs, working with the community college partners or working internally with the University's own Community College, to ensure these students are successful.

Dr. Fister provided assurance that work has been undertaken with Dr. Morgan, Dr. Duncan, Mr. Dietz and Registrar Tracy Roberts, as well as others, to provide data which will enable the Strategic Planning Committee to clearly assess what needs to be done and how the University can assist with not increasing the indebtedness of those students. This work is currently taking place – as is work toward an Honors College – pending the Board's decisions today. Dr. Jackson added that this work is coupled with recruiting the best and brightest students from the University's service region through scholarships and other means.

Chair Waterfield indicated if the University raises admission standards it will lose a number of students and asked whether an Honors College would offset that decrease to some degree. Dr. Fister indicated an emphasis is being placed on different focus areas – such as the Honors College – and this could help offset any potential decrease in enrollment. Dr. Davies indicated success breeds success and the State University of New York System (SUNY), which has a plethora of different universities under its umbrella, began a process 10 years ago of increasing its own admission standards. For the first year they experienced a drop in enrollment but the word got out very quickly that these institutions were of a higher quality. Within two years not only did enrollments rebound but it actually increased. This gave birth to a nationally-recognized State University of New York at Oswego and even SUNY at Stony Brook and these institutions were off the radar map just a few years ago. There are other examples of institutions that view students as raw materials and increasing the quality of output starts with increasing the quality of input. In response to a question, Dr. Davies indicated when students who leave Murray State are studied academic and financial stresses are the two leading causes and many times there is a strong correlation. Dr. Fister indicated that in order to address this issue the Strategic Plan includes financial literacy programs for money management, budgeting and debt reduction and those factors will be encompassed within the pathways for success. If students are required to take three remedial courses – which do not count for credit toward the General Studies Program – they can become discouraged and drop out. An effort is being made to provide those students with an opportunity to be successful through different avenues.

Dr. Fister reported the following with regard to the strategic initiative of advancing knowledge to benefit society by **Fostering Research, Scholarship and Creative Activities**:

- The first objective is to develop and support a culture of research, scholarship and creative activity that engages faculty, staff, students and external partners. Measures which will help effect this change include ensuring that 90 percent of tenure-track/tenured faculty are engaged in at least one scholarship activity each year, increasing external grant submissions by 30 percent (133 different submitted grants in FY14) and increasing by 10 percent scholarly activity (as defined by the academic unit).
- The second objective is to promote academic excellence and student success through research, scholarship and creative activity, thereby enhancing student learning and the University's national reputation. Measures and action steps which will help effect this change include increasing by 20 percent the number of undergraduate and graduate student scholarly projects mentored by faculty, creating methods of evaluating and promoting a culture of scholarly and creative activity and developing a process to increase the number of students who participate in an experiential learning opportunity (as measured in the Senior Survey).

Dr. Todd reported the following with regard to improving the quality of life for our communities through engagement (**Community Engagement**):

- The goal is to engage the University's many communities to assist in the betterment of society, create economic ventures, promote a sense of place and assist in the furtherance of the values of public higher education.
- One objective of this goal is to raise the educational attainment level within the University's primary service region. Measures include further partnering with community colleges to increase the average baccalaureate degree and higher education attainment level of the 18-county primary service region to 17.5 percent (currently 14.8 percent, with a state average of 21 percent), continuing to partner with high schools to increase the percentage of college-going students in the 18-county primary service region to above 64.5 percent and participating in the state's *Kentucky Rising* initiative to enhance/elevate the level of teacher preparation in partnership with surrounding school districts.
- Another objective of this goal is to engage businesses, nonprofits, governmental agencies and respective leaders in partnerships to promote economic development. Measures include assessing workforce needs throughout the primary service region, in conjunction with the regional community colleges and other stakeholders, to expand existing, modify current and/or develop new degree programs to ensure rigor, relevance and excellence. One example of such an effort is the new Logistics and Supply Chain Management major.

Dr. Fister indicated many of the initiatives faculty, staff, students and community members have developed formulate together the three concepts of rigor, relevance and excellence. All great achievements require time and what is being presented today does not represent a plan which will happen tomorrow. This is a seven-year plan for which there will be ownership and an associated timeline for the various aspects of the required work to occur. As Stephen Covey stated, "Synergy is better than your way or my way. It is our way." What was presented today represents Murray State's way and the Board's help, support and guidance are needed to be able to make it "our" way.

In response to a question regarding what is involved in increasing the University's rankings with *U.S. News and World Report*, Dr. Jackson reported this represents a complicated set of metrics in regard to those areas on which the University is measured, including graduation and retention rates, number of faculty with terminal degrees and peer assessment. Peer assessment comprises 26.5 percent of *U.S. News* rankings and it is important for Murray State to keep its peers informed of the quality of this institution through various means.

Dr. Curris indicated the component of the Strategic Plan and efforts addressing the achievement of academic excellence is very strong and well done when compared to what he has seen from other universities. The Plan includes increasing service learning and internships and this is encouraging but he asked why not be bold and indicate the goal is for every graduate of Murray State University to have had either an experience overseas, an internship or a significant learning opportunity that would characterize the educational program at Murray State as distinctive because every program has either an internship requirement, a practicum or an international education experience. Some universities are moving in that direction and he would encourage all to be bold. Secondly, things are not done overnight especially at universities. He personally thinks the seven-year timeline is very long and he does not buy the idea that it would take longer to implement strategic planning at Murray State University than it did to fight World War II. Dr. Jackson indicated this is a very good point but key to discussions with the President regarding the appropriate timeline was getting the University to its 100 Year Anniversary. No one wants to be working on these initiatives for seven years and all want them to happen as quickly as possible. Dr. Davies indicated in terms of the strategic planning process the actual components of the Strategic Plan are the least important and it is the process, implementation and the constant review which are important. The administration will continue to add and amend goals on a yearly basis but holding to these four initiatives and adjusting as success is experienced as well as when goals have been overstepped so it truly represents a living document. New obstacles will be discovered throughout this process and a determination will be made in terms of appropriate and necessary changes as this work advances.

This report was presented for informational purposes only and required no action.

The Board adjourned for a break beginning at 10:15 a.m.

Chair Waterfield reconvened the Quarterly Board of Regents Meeting and Committee Meetings at 10:30 a.m.

### **Treasurer's Report, accepted**

Ms. Dudley reported the following with regard to the Quarterly Financial and Investment Reports:

- Total net tuition and fees were budgeted at \$73.3 million and actual as of December was \$73.9 million. Even without January and Summer I revenues the University is approximately \$700,000 over budget. Although all discounts and revenues for spring are not final, the University is trending toward \$1.5 million over budget. Revenue generated from Summer I will represent excess. Raises were discussed at the December meeting and between \$1.7 and \$2 million in excess was projected. It appears as though the University is on target.
- The Statement of Net Position by Fund indicates the cash balance is less than this time last year (approximately \$4 million). This is not a surprise as the institution had Hester Hall bond proceeds last December and began spending down those monies as the renovation was completed, resulting in a decrease in cash.
- There was a large increase in receivables between FY 13-14 and FY 14-15 which were \$44.8 million and are currently \$50.2 million. This results from an increase in international students, most of which came to the University from governmental contracts already in place. All bills have not yet been paid but no issues are anticipated and \$3 million will be collected as of this week with the remainder to follow.
- Bonds and notes payable decreased from \$69.6 million to \$65 million. This decrease simply represents additional bond payments and the University has not assumed additional debt. This figure will continue to decrease unless the University assumes more debt. As Franklin Hall bonds are sold during the spring, the next financial statement will reflect an increase because those bond proceeds will increase the institution's debt level.
- Total unrestricted net position is \$102 million and the general contingency is \$39.7 million. Discussion occurred at the last Board meeting in terms of how those funds could be earmarked for certain purposes. Conversations have taken place with the auditors in terms of how some of these

funds could be moved into the restricted category. This is not likely to occur because there are no external restrictions on those funds. Consideration will instead be given to rearranging the allocation and \$5 million is already committed to the Engineering and Physics project. A capital line will likely be added to renovation and maintenance closer to the end of the year so the University can at least show those funds are allocated for a specific purpose.

- Education and general funds represent operating funds and the University is only halfway through the year. The percentage of total revenues generated is approximately 70 percent and expenditures are at approximately 42 percent, which is where the institution should be at this point compared to prior years. The University is on target with regard to education and general revenues and expenditures. The expenditures at this point do not include the raises approved at the December Board meeting. Raises were retroactive but were not paid out until January and those expenditures will be reflected in the third and fourth quarters.
- As typical, the University has received 55 percent of its state appropriation at this point.
- The auxiliaries report was presented and represents nothing extraordinary. There is a net change in fund balance for auxiliaries and dining has \$6.4 million and housing has \$7.3 million. Together all auxiliaries total \$14 million which is on target with last year, indicating budgets are being followed and revenues are being met.
- The Statement of Investment Earnings was presented and shows total investment earnings are slightly over this time last year – \$1.2 million compared to \$800,000 last year. This is because the realized earnings of the Foundation are higher on the endowment funds.
- The University currently has \$146 million invested – \$103 million with the State Treasurer. There is \$60 million in the Consolidated Educational Revenue Fund, housing and dining of \$11.7 million and \$846,000 in endowment funds which represent those funds held by the State Treasurer which are invested by the Office for Financial Management. The University cannot control these investments although there are two pools – short-term and intermediate – and the institution can decide which pool it enters into. The University has almost \$24 million invested with the MSU Foundation. There is \$18.5 million in the local bank account but this varies depending upon payroll and the end of the month and how checks are cashed. The University is not earning interest on its local bank account but receives credits on fees that it pays. This arrangement is more advantageous to the University at this time.
- In terms of how the amount invested with the state is determined, it was indicated there is not a certain level the University invests with the state. As soon as the institution collects \$1 million to \$2 million that is turned over to the State Treasurer (as per statute). With tuition revenues coming in more money is being remitted to the State Treasurer. The University then draws those funds back down to pay bills. Every day as checks are written and payroll is distributed communication must take place with the State Treasurer to send money back to the University.
- In response to how often the local bank account is bid out, it was indicated this process occurs approximately every five years and currently U.S. Bank is being utilized by the University while CFSB is being utilized for the Foundation.

Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, accept the quarterly unaudited Financial and Investment Reports for the period of July 1, 2013, through December 31, 2014, as presented. Mr. Dobbs seconded and the motion carried.

(See Attachment #1)

#### **Academic Affairs Committee**

**Jerry Sue Thornton, Chair**  
**Michael Dobbs**  
**Marty Jacobs**  
**Phil Schooley**  
**Stephen Williams**

In the absence of Committee Chair Jerry Sue Thornton, Dr. Jacobs called the Academic Affairs Committee to order at 10:40 a.m. and reported all members were present.

Dr. Morgan joined others in expressing appreciation to the Facilities Management crew, Ms. Dudley and Mr. Burdette for the work they undertook with regard to campus academic buildings and having them open and ready for Monday classes.

**New Doctor of Arts in English, Pedagogy and Technology, approved**



Dr. Morgan reported that the new Doctor of Arts in English, Pedagogy and Technology will complement the University's current strategic planning process and represents the third doctoral program addition over the past four years. The program has been developed and designed over the past 18 months to fill out the institution's doctoral portfolio. The University is currently allowed by its accreditors to have three doctoral degrees and if the institution moves to a fourth doctoral degree it will also need to seek a different accrediting level. Background work has been undertaken in this regard but the University is currently not ready to move in that direction. The following individuals were recognized for their work on this degree program: Dr. Pervine; Dean Ted Brown and Assistant Dean Staci Stone, College of Humanities and Fine Arts; Chair Sue Sroda, Department of English and Philosophy and Dr. Binfield, Professor of English and English Graduate Coordinator.

Dr. Pervine reported that the Board has been provided with a full prospectus for the Doctor of Arts in English, Pedagogy and Technology which represents a rigorous program that will certainly be relevant in the current climate. This is the first Doctor of Arts program offered by any institution within Kentucky and the program is designed to improve pedagogical skills and increase content knowledge for adult educators and K-12 teachers. It is notable that this program has a track for National Board Certification, an option which has been highly desired by teachers in the region. Teachers receive a salary increase from their respective school systems when they receive National Board Certification and also receive salary incentives for earning a doctoral degree. It is believed this will represent an attractive degree program for a large number of teachers. The program is budgeted on a cohort basis with 15 students per cohort. This represents a three-year program and once it is operating at full capacity a total of 45 student participants are anticipated. Appreciation was expressed to Drs. Brown and Sroda but especially Dr. Binfield. The University's pre-proposal has been submitted and approved by the CPE. Every prior proposal he has been involved with, until this one, had been returned by the CPE with questions either from other universities or CPE staff requesting clarification on certain program aspects. Not one question was asked when this proposal was submitted. Dr. Binfield and others behind the scenes did a terrific job developing this program.

Dr. Brown believes there are two major reasons the Board should support this proposal. The first is it promises to improve the quality of teaching in the University's service region and beyond. As an educator and a parent he does not believe there is anything more important. If the quality of teaching is improved there will be fewer issues with student preparedness which was discussed earlier. The second reason is this represents a truly innovative program with national impact. This will be the only program of its kind in the United States and it will attract students not only from the region but from other areas across the United States. The program has the potential to put Murray State on the map in terms of teacher education. All firmly believe the well-designed program will succeed. In order for this great university to become even greater in the 21<sup>st</sup> Century this is exactly the type of program which needs to be developed and promoted.

Dr. Jacobs indicated for clarification purposes the admission standards in the prospectus show a need for 30 graduate hours in English but the *Bulletin* does not specify the same requirement. His understanding is the Bulletin is correct. Dr. Binfield indicated the Board was provided with a fairly early version of the prospectus. The 30 graduate hours required will be in areas related to the English Language Arts which can be broadly construed to include writing, linguistics, TESOL, literacy and other areas. Dr. Jacobs indicated the quality of this program – with the cross-curricular connections – would allow individuals completing this program to not only have those opportunities presented but also opportunities in terms of higher education. As currently written the prospectus does not identify this as a specific goal and he asked whether an individual completing this program could become a teacher educator and work in a community college or university setting. Dr. Morgan confirmed this program is viewed as one that will educate not only potential high school teachers who may desire to remain within a high school setting but also community college faculty who may have a Master of Arts degree but also a desire to obtain a doctoral degree. This represents a practitioner approach to degrees and is non-research based. It is believed there are individuals within this market who desire a doctoral degree without the research component. These individuals want a practical degree but intend to remain where they are currently teaching. Other individuals may desire to teach in a college setting. Across the nation many English faculty do not have terminal degrees and there is a component of that population with a master's degree who desire a practitioner-style degree which will allow them to remain at a four-year institution. This program is not being marketed to individuals with a desire to move on to a land-grant based research institution. Dr. Brown indicated there are

political considerations in this area and the decision to not target the degree to this last segment has not been made because the University is not interested in that work. Dr. Pervine confirmed legislation which applies to the regional institutions indicates these entities are not to offer doctoral degrees to prepare postsecondary faculty for postsecondary positions. Murray State cannot be perceived as training individuals with research doctorates to send them off to the UK's of the world because the University would be in violation of state legislation.

On behalf of the Academic Affairs Committee, Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the proposal for a new degree – Doctor of Arts in English, Pedagogy and Technology, effective August 2015. Mr. Schooley seconded and the motion carried.

### **Establishment of an Honors College, affirmed**

Dr. Morgan reported that the Board was presented with information earlier today which illustrates how an Honors College would link well with the University's mission which specifically notes high quality undergraduate programs and honors programs will be offered. The administration is requesting permission to begin a 16-month ramp up of a very high quality academic Honors College at Murray State.

A number of individuals have worked on this initiative and Dr. Duncan presented the following.

- Currently the University has a very strong Honors Program which is comprised of slightly less than 400 high-achieving undergraduate students. These students are active across campus and typically serve in leadership roles. Their activity and leadership are reflected in the fact that they are commonly selected as the Outstanding Senior Man and/or Woman.
- There is a desire to take an already strong Honors Program and grow it into an Honors College. The goal is the creation of a strong Honors College which becomes known as "the" Honors College for students in the state of Kentucky and the surrounding region. This work will be accomplished by providing a very strong program which develops students professionally, socially, personally and academically and this will also increase the University's academic prestige.
- Targeted recruiting strategies will be developed with a focus initially placed on students from within the University's 18-county service region. A Scholar Development Program will be initiated which will go beyond the classroom to develop students' civic and personal growth. An Honors Residential Program will be developed which will provide a living and learning community for these students. There is also a desire to approach international students. There are a large number of intelligent and motivated high-achieving international students but efforts to engage these individuals in the Honors Program has not been successful to this point. Consideration will be given to developing a new way to attract international students into the Honors College. An engaged honors initiative will be developed to increase the involvement of honors students in research, creative and scholarly activity, community service, internships and a variety of other ways so they are involved beyond the classroom.
- Phase I will officially begin in July 2015 although work is currently taking place. Additional students will be admitted to the Honors College utilizing targeted recruiting initiatives. This is where the administration will explore how to bring in international students. A considerable amount of time will also be spent on determining how to develop the residential college component of an Honors College. Administrative changes will also need to be made when the Honors College is established.
- By Fall 2016 the goal is to be able to realistically bring an Honors College to fruition in a full and rich way. An effort will be made to increase the number of honors students as well as increasing the number of opportunities available to these students.
- Currently students admitted to the University as Presidential Fellows are required to be members of the Honors Program. This will continue to be the case once the transition has been made to an Honors College. Because these students are already so closely affiliated with the Honors Program, it made sense to make the Presidential Fellows Program an official part of the Honors College. The Commonwealth Honors Academy (CHA) is for high-achieving high schools students and these students represent members of the Honors Program (at the high school level). There is a desire to strengthen the relationship between the Honors College and the Commonwealth Honors Academy. The CHA will continue to fall under Dr. Duncan but will be more closely associated with the Honors College.
- A timeline was provided once approval for the Honors College has been received from the Board. That process will begin with providing notification to the Southern Association of Colleges and Schools Commission on Colleges in March, followed by CPE approval in June and student selection during the Fall 2015 and Spring 2016 semesters. There will be some budgetary needs which will need to be addressed in order to bring an Honors College online.
- Overall it is strongly believed that creating an Honors College (with an associated Honors College brand) will raise the academic prestige of the University but will also help the institution attract additional students. It is known that students who are looking for honors programs and colleges will

ask whether a university has an Honors College or offer just a program. Having an Honors College in place will assist in recruiting these top students. Honors College students will also bring their friends to Murray State and these are also high-achieving students. The focus which is being placed on bringing in high-achieving students will help the institution meet a lot of the strategic initiatives which have been outlined.

- Dr. Warren Edminster, Honors Program Director, introduced three students present today – Laura Boden, Sarah Reynolds and Luke King – who are all leaders in the Honors Program and academic leaders within their own areas of study. He also introduced Lori Rogers who has been the Administrative Assistant for the Honors Program since 1988. She is responsible for most of the successes of the program and others are responsible for the failures.

Mr. Dobbs asked how the Honors College would be incorporated into the current residential college model. Dr. Edminster indicated for Fall 2016 the plan is to offer wings and floors within the residential colleges in order to assess the interest of honors students. In the meantime, Dr. Robertson and others will be traveling to other universities to study their Honors College systems and how they work and interact with the remainder of campus. There is currently not one plan which has been developed and care will be taken to take the time necessary to identify the right model for Murray State. Honors students have for many years expressed the desire for there to be an option to live in an honors area. Dr. Robertson confirmed that one initiative the Residential College Task Force is considering is creating more special interest floors and learning communities within the residential college model and this initiative aligns perfectly with what the Task Force has been working on over the past year and a half.

Chair Waterfield indicated he suspects the requirements for admittance into the Honors College would be rigorous and asked whether current members of the Honors Program would be applicants for the Honors College (as well as incoming freshmen). Dr. Duncan confirmed the Honors College will not start off with only incoming freshmen and will include upperclassmen who have varying years of experience at Murray State. The current Honors Program has a family feel to it that will only be enriched by the Honors College. Students work very closely together and a great deal of unofficial mentoring takes place.

Dr. Curris indicated this represents a big step forward and congratulated all on their good work toward Murray State's goal of strengthening academic excellence. He believes an appropriate timeline has been developed.

On behalf of the Academic Affairs Committee, Mr. Schooley moved that the Board of Regents, upon the recommendation of the President of the University, affirm the establishment of a Residential Honors College that builds on Murray State University's reputation of academic rigor, relevance and programmatic excellence. The Board, therefore, delegates the authority and responsibility to pursue these efforts and instructs the President to develop programmatic changes – curricular and co-curricular – with inclusion of appropriate staff and faculty. The Board of Regents further requests subsequent updates at future Board of Regents meetings on the progress of the Honors College with a suggested implementation date of July 1, 2016, or before. Mr. Williams seconded and the motion carried.

#### **Academic Unit Title Change – Continuing Education and Academic Outreach (CEAO) to Regional Academic Outreach (RAO) Report, received**

Dr. Morgan indicated the administration is seeking an academic unit title change from Continuing Education and Academic Outreach to Regional Academic Outreach. Conversations have taken place over the past 12 months with CEAO Dean Brian Van Horn and other stakeholders affected by the change. An effort is being made to update the nomenclature among the various colleges, schools and departments on campus. This particular unit has represented an outlier for some time and there is a need to change the name to be more reflective of the times and to update the University's organizational chart. A request is being made to change the name to Regional Academic Outreach because that unit works with web classes, regional campuses and a number of other academically-related initiatives off campus.

This agenda item was presented for informational purposes only and required no Board action.

### **New Ed.D. Area of Specialization in Agricultural Education Leadership Report, received**

Dr. Morgan reported an effort is being made to maximize the University's doctoral capacity. The administration is seeking approval of its desire to add an area of specialization within the University's second doctoral degree – the Doctorate of Education. This allows for additional doctoral capacity and will attract additional students. This track was identified when the original conceptualization for the Doctorate of Education was undertaken a couple of years ago. Dr. Pervine has worked diligently on this initiative along with Dean Tony Brannon and faculty in the *Hutson School of Agriculture*.

This agenda item was presented for informational purposes only and required no Board action.

### **Faculty Transitional Retirement Program, discussed**

Dr. Jacobs requested an update on the Faculty Transitional Retirement Program which the Board approved at the December meeting. Dr. Morgan indicated in December the Board provided authority to the administration to implement transitional faculty retirement contracts. Academic Affairs spent a number of months working with Human Resources and the Vice President for Finance and Administrative Services and hosted an on-campus session for all faculty who might be interested in pursuing this option. Approximately 38 faculty members were in attendance at the forum. Six faculty members have provided formal notification to the Provost of their intent to retire under this program, beginning July 1, 2015. A number of other faculty have indicated their interest in pursuing this option as of July 1, 2016. There was a very short window between implementation in December 2014 and now and the six faculty members who have indicated their desire to participate represents a good start to the process. It is anticipated even more faculty will want to pursue this option as of July 1, 2016. If an individual faculty member desires to take advantage of the sick leave process (KTRS multiplier or ORP account) they would need to notify the Provost by December 2015 which is when that particular component of the process will no longer be available. The Faculty Transitional Retirement Program will continue in subsequent years but faculty would not be eligible for the sick leave multiplier unless they announce an intent to retire by December 2015.

### **Adjournment**

The Academic Affairs Committee adjourned at 11:14 a.m.

### **Academic Affairs Committee – Full Board Action**

#### **New Doctor of Arts in English, Pedagogy and Technology, approved**

On behalf of the Academic Affairs Committee, Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the proposal for a new degree – Doctor of Arts in English, Pedagogy and Technology, effective August 2015. Mrs. Guess seconded and the roll was called with the following voting: Dr. Curris, yes; Mr. Dobbs, yes; Ms. Green, yes; Mrs. Guess, yes; Dr. Jacobs, yes; Mr. Kemp, yes; Mr. Schooley, yes; Mr. Williams, yes; and Mr. Waterfield, yes. The motion carried.

#### **Establishment of an Honors College, affirmed**

On behalf of the Academic Affairs Committee, Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, affirm the establishment of a Residential Honors College that builds on Murray State University's reputation of academic rigor, relevance and programmatic excellence. The Board, therefore, delegates the authority and responsibility to pursue these efforts and instructs the President to develop programmatic changes – curricular and co-curricular – with inclusion of appropriate staff and faculty. The Board of Regents further requests subsequent updates at future Board of Regents meetings on the progress of the Honors College with a suggested implementation date of July 1, 2016, or before. Mr. Dobbs seconded and the roll was called with the following voting: Dr. Curris, yes; Mr. Dobbs, yes; Ms. Green, yes; Mrs. Guess, yes; Dr. Jacobs, yes; Mr. Kemp, yes; Mr. Schooley, yes; Mr. Williams, yes; and Mr. Waterfield, yes. The motion carried.

## **Audit and Compliance Committee**

**Daniel Kemp, Chair**  
**Constantine Curris**  
**Jenny Sewell**  
**Harry Lee Waterfield II**

Mr. Kemp called the Audit and Compliance Committee to order at 11:15 a.m. and reported all members were present with the exception of Mrs. Sewell.

### **Audit Engagement Letter, approved**

At the December 6, 2013, meeting the Board of Regents approved the issuance of a contract to RubinBrown for the performance of the University's financial and compliance audits for the fiscal year ending June 30, 2014, and further authorized the University to enter into two subsequent contract renewals based upon mutual consent. The cost for the current year contract – which is the second year of a three-year contract – is \$118,350, including the financial, compliance and two program audits. If required program audits exceed two, additional program audits will be conducted for no more than \$6,500 each.

On behalf of the Audit and Compliance Committee, Dr. Curris moved that the Board of Regents, upon the recommendation of the President of the University, approve the Engagement Letter for the audit by RubinBrown for the fiscal year ending June 30, 2015, at a cost of \$118,350 including the financial compliance and two program audits. If required program audits exceed two, additional program audits will be conducted for no more than \$6,500 each. Mr. Waterfield seconded and the motion carried.

### **Office of the Internal Auditor Status Report, received**

Mrs. Saxon reported the following:

- Approximately every six months an update on the status of the Internal Audit Plan is provided to the Board and includes a report of various projects completed by the Internal Auditor. The full audit report on each item is available upon Regent request.
- A follow-up internal audit review was undertaken in the Institute for International Studies. There were 19 recommendations which had been made from a previous review and all have been implemented. The next review undertaken was the CFSB Center Director's incentive payment for fiscal year 2014. No issues were found and this also marked the last year this individual received incentives on net revenues earned. A travel review for the Recruitment Office has just been completed and resulted in 13 recommendations which management agreed to implement to help further strengthen internal controls.
- A compliance audit was undertaken on the OVC Special Assistance Fund and the National Collegiate Athletic Association Student Athlete Opportunity Fund. This represents an audit which is required each year based on OVC requirements.
- The Internal Auditor performed cash counts as part of the 100 hours of work required with RubinBrown. An audit was also undertaken on Lease Law compliance and no issues were found. A year-end test of limits for tax shelter contributions was performed for the total of 66 employees with tax shelters before the final payroll of the year was run to ensure no employees exceeded their maximum contribution limit (as per the Internal Revenue Service). No limits were exceeded.
- All routine and quarterly reports were issued and included a review of the Board of Regents account and President's Office accounts (including Pcards and travel) for the quarter ended June 30, 2014, and for the year-to-date ended December 31, 2014. No issues were found except for the budget balance deficit in the Board of Regents account. A review was performed on the Expo Center and Athletics balances for the year ended June 30. No issues were discovered. Three quarterly Accounting and Financial Service reports were reviewed for cross-referencing and mathematical errors.
- One whistleblower complaint was received that was delegated to Vice President Dudley. Procedures were put into place to strengthen controls, reporting and accountability. No fraud was discovered.
- At the end of the fiscal year inventory accounts were observed for the University Store, Facilities Management, Dining Services and CFSB Center Concessions to ensure accuracy and efficiency of the count process, as well as accuracy of final inventory totals. A review of the Alumni Association financial report for cross-referencing and mathematical errors was undertaken.
- Unplanned activities included the issuance of a Board of Regents travel comparison report. The scope was to compare travel by Regents for fiscal years 2012 through 2014. The level of detail in this report was included in the revised format of the semi-annual Board of Regents report for the year-to-date ended December 31, 2014. A Board of Regents tournament expense report was also issued. The

scope was to review and compile the cost incurred by the University for tickets and lodging related to tournaments attended by Board members during fiscal years 2012 through 2014.

- A whistleblower claim was investigated with the assistance of the Manager of Employee Relations and Training. The initial complaint was about one issue, however, during the investigation 12 issues were identified, mostly human resource matters. A report was issued which contained one recommendation. Management is currently working to resolve the issues and the Internal Auditor will continue to monitor the claim.
- The Internal Auditor served on the Search Committee for the Director of Accounting and is currently serving as Chair of the Search Committee for the Chief Information Officer.
- A review of Procurement is currently in the planning stages. The Quality Assurance and Improvement Plan is being designed in preparation for the review of Internal Audit, as required by the Institute of Internal Auditors every five years.

This report was presented for informational purposes only and required no Board action.

### **Adjournment**

The Audit and Compliance Committee adjourned at 11:23 a.m.

### **Audit and Compliance Committee – Full Board Action**

#### **Audit Engagement Letter, approved**

On behalf of the Audit and Compliance Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, approve the attached Engagement Letter for the audit by RubinBrown for the fiscal year ending June 30, 2015, at a cost of \$118,350 including the financial compliance and two program audits. If required program audits exceed two, additional program audits will be conducted for no more than \$6,500 each. Mr. Williams seconded and the roll was called with the following voting: Dr. Curris, yes; Mr. Dobbs, yes; Ms. Green, yes; Mrs. Guess, yes; Dr. Jacobs, yes; Mr. Kemp, yes; Mr. Schooley, yes; Mr. Williams, yes; and Mr. Waterfield, yes. The motion carried.

(See Attachment #2)

### **Buildings and Grounds Committee**

**Constantine Curris, Chair**  
**Michael Dobbs**  
**Susan Guess**  
**Phil Schooley**  
**Harry Lee Waterfield II**

Dr. Curris called the Buildings and Grounds Committee to order at 11:25 a.m. and reported all members were present.

### **Waterfield Library Programmatic/Renovation Needs, accepted**

Ms. Dudley reported that at the December 4, 2014, Board of Regents meeting discussion occurred regarding planned capital project priorities for the upcoming Murray State *Six-Year Capital Plan*. The Waterfield Library project, ranked as the #3 priority, was of particular interest to the Board and the President was asked to present a specific proposal for functional, programmatic and design plans at this meeting.

Dr. Morgan and Mr. Burdette reported the following:

- A review of programmatic needs for the expansion of Waterfield Library has been undertaken. Murray State has a residentially-based mission focused on offering high-quality undergraduate programs but also continuing to develop a strong graduate program presence.
- The renovation and expansion of Waterfield Library will result in this facility being the central learning climate for campus – one that fosters student success – and builds off of the institution's strategic planning processes to increase retention and graduation rates.
- Consideration is also being given to how Waterfield Library can support five regional campus locations – Hopkinsville, Ft. Campbell, Paducah, Madisonville and Henderson – as well as advance the desire to move to 22 to 24 percent of the University's curriculum being delivered online.
- An attempt is being made to identify a space which can be utilized by today's students as well as tomorrow's students. It is believed students want a library facility to have a coffee shop feel where

they can use their laptop, iPad or tablet and work in teams. Students also require a library which is open for extended hours and currently Dean Adam Murray does a good job providing this option to students. The facility must be technologically rich for students, faculty and staff. A library must be cost effective in its design and cost efficient to operate over the long term. There must be a balance between space, books and technology. The library needed for Murray State's future must be flexible in terms of the use of space because the facility needed internally over the next ten years must have the capability of changing to meet needs for the decades ahead.

- Consideration is also being given to the safety of students from weather events or other issues which could arise on campus. The current facility has challenges in this area.
- Overall the administration is basing what is needed in the library facility on student success.
- Ratio, an architectural, engineering, landscape engineering and design firm was engaged to develop a realistic 21<sup>st</sup> Century concept for the Waterfield Library renovation. Ratio has projected a scope of \$19.7 million which includes an approximate two-year inflationary factor.
- The plan presented addresses space issues and provides rear access and exit which is not currently available. ADA compliance modifications will be made so the facility is more accessible. The goal is to open up the library so it is much more student and research sector.
- There are significant deferred maintenance needs in Waterfield Library and the plan encompasses those needs and includes HVAC improvements and continued improvements in electrical and infrastructure access.

Dr. Curris reported the Board was presented with the concept for a new library under the previous administration but the need for an entirely new facility was questionable and the funding necessary for such a project likely would not be attainable. Through this process the entire Board became committed to doing whatever was necessary to ensure a 21<sup>st</sup> Century library was provided. He is pleased with what has been presented today and the rationale behind the plan. It is hoped the resources necessary to move forward with this plan can be identified as quickly as possible.

On behalf of the Buildings and Grounds Committee, Mr. Schooley moved that the Board of Regents, upon the recommendation of the President of the University, accept the proposed Waterfield Library programmatic/renovation needs concept as presented, pending additional planning and review, for the renovation of Waterfield Library, as it fits the parameters of future Library usage and realistic costs, for inclusion as the third priority in the Murray State University *Six-Year Capital Plan*. Mrs. Guess seconded and the motion carried.

### **Adjournment**

The Buildings and Grounds Committee adjourned at 11:32 a.m.

### **Buildings and Grounds Committee – Full Board Action**

On behalf of the Buildings and Grounds Committee, Dr. Curris moved that the Board of Regents, upon the recommendation of the President of the University, accept the proposed Waterfield Library programmatic/renovation needs concept as presented, pending additional planning and review, for the renovation of Waterfield Library, as it fits the parameters of future Library usage and realistic costs, for inclusion as the third priority in the Murray State University *Six-Year Capital Plan*. Mr. Williams seconded and the motion carried.

(See Attachment #3)

### **Enrollment Management and Student Success Committee**

**Sharon Green, Chair**  
**Michael Dobbs**  
**Phil Schooley**  
**Harry Lee Waterfield II**

Ms. Green called the Enrollment Management and Student Success Committee to order at 11:34 a.m. and reported all members were present.

## **Spring 2015 Enrollment Report and Maguire Associates Graduate Study Update Reports, received**

Mr. Dietz and Dr. Pervine reported the following with regard to preliminary Spring 2015 enrollment and the Maguire Associates Graduate Study:

- An Admitted Student Open House was held with approximately 450 student participants and 1,200 visitors. Dr. Davies and Dr. Robertson met almost each and every one of those students and personally shook their hands. Appreciation was expressed to both for their dedication to this process.
- Enrollment numbers being presented today remain fluid and final numbers will not be locked in with the CPE until March 25.
- Overall total enrollment is trending 3.5 percent ahead of last year – both undergraduate and graduate numbers. Spring enrollment numbers include winter term enrollment and this marks the third year the winter term has been offered. Enrollment is currently 27 students higher than the same period last year.
- Preliminary first-time freshmen enrollment is down slightly from last year. First-time transfer enrollments are ahead of last year by 31 students. First-time graduate numbers also increased over Spring 2014 by approximately 43 students.
- A final report on Spring 2015 enrollment will be provided at the June Quarterly Board Meeting.
- In response to a question regarding how the University's enrollment numbers compare to sister institutions in Kentucky it was indicated that Murray State is slightly ahead of some of the other regional institutions and the numbers look encouraging.
- The firm of Maguire Associates was engaged last summer to undertake a study and the most recent results which have been received pertain to graduate study. A Maguire Associates representative has already presented the results of the undergraduate study to the Board. The Board has been provided with the complete report received from Maguire Associates as it pertains to the graduate survey undertaken.
- Approximately 460 students were surveyed for the study and consisted of two groups. The first was current Murray State junior and senior students who have expressed an interest in graduate school and graduate program inquiries which have been received by the University. The second part of the population surveyed represented a panel of names purchased by Maguire Associates by selecting certain demographic characteristics which would, on the surface, make these students appear to be reasonable candidates for graduate study at Murray State (blind panel). These potential students were not current students, had not inquired specifically about the University but appeared as though they would fit with the MSU profile. Once this segment was identified they were split up by students within the service region and students in Kentucky, but outside the service region. These two groups – current students and the blind panel students – were divided into the regional discount areas.
- As was also the case for undergraduate tuition, Murray State has a fairly complex graduate tuition scheme.
- A chart was shown indicating how Murray State's resident graduate tuition rate compares to competitors which were surveyed (University of Kentucky (UK), UofL, Eastern Kentucky University, Western Kentucky University, Northern Kentucky University and out-of-state regional competitors Southern Illinois University-Carbondale (SIUC), SIU-Edwardsville, University of Tennessee-Martin, Southeast Missouri State University and Austin Peay State University). Murray State's resident graduate tuition rate is fairly competitive with resident rates at these other institutions.
- A chart was shown indicating how Murray State's non-resident graduate tuition rate compares to competitors and Murray State is fairly high and is comparable to UK, UofL and SIUC. Murray State and these institutions are more expensive for a non-resident student than some other competitors.
- Information on how the University's non-resident rate compares to resident tuition rates at competitor institutions revealed there is some variation. For instance, if a non-resident student attended Southeast Missouri State University for graduate school their tuition rate would be approximately \$300 per hour but at Murray State it would be over \$500 per credit hour.
- Data was provided on where the concentration of bachelor's degree holders is projected to be in 2019 and shows Murray State should pursue prospective students in the regional metropolitan areas – St. Louis, Louisville, Nashville and Memphis. These areas will have a higher concentration of students with bachelor's degrees. The University's service region is at the projected average level for bachelor's degree holders.
- A high level of current Murray State students wishing to pursue graduate school are considering attending MSU. The blind panel students report showed no discernable preference for Murray State but students within the University's service region and within Kentucky have a strong preference for Murray State in terms of attending graduate school. MSU students from regional discount areas or submitting inquiries from that area are almost as high, with 54 percent identifying Murray State as their choice for graduate school. Students who have no affiliation with the University do not have it on their list of potential graduate schools.
- In response to a question regarding why the University did not provide Maguire Associates with more than 113 emails when there were 1,868 applicants, Dr. Pervine indicated this has not yet been fully investigated and the University could have provided Maguire Associates with a larger number of prospects but perhaps the wrong individual at the institution was asked for this information. The



Graduate Recruiter has indicated a much larger number of prospect emails could have been provided. The University is currently in the process of changing over to a new system – Recruiter – which will track prospects and provide a centralized database. Once the Recruiter program is fully implemented this will no longer be an issue. Confirmation was provided that the University did meet the demographic requirements and Maguire Associates statisticians indicated they were satisfied with the validity of the sample.

- In terms of perceptions and value, Maguire Associates used an index to propose a value index which consisted of perceived academic quality, career preparation and affordability. They have proprietary ways of combining this into a value index. Not surprisingly, Murray State students see the University as a high-value proposition. Students in the wider market do not see Murray State as a particularly high-value option for graduate school. The value index scale is zero to 100 and the study indicated Murray State is seen as a high value institution among its current student prospects, especially in its service region (81), the rest of Kentucky (75) and among regional discounted inquiries and current students (75). These are excellent numbers and the University is doing well within its service region in terms of how its value is perceived. The regional discounted panel does not perceive the University in this light (58) which is not surprising given there was no particular preference for Murray State among that group.
- Students from the University's service region, Kentucky or the regional discount areas who are aware of Murray State ranked the University very highly in terms of quality academics, career preparation, social environment, physical environment and affordability. The blind panelists have a lower perception of quality at Murray State and a lower awareness of academics and the other areas mentioned above. Maguire Associates recommended that the University give thought to closing the distance between the study groups which will enable the institution to tap into the regional market.
- Murray State graduate students fit into three personas – students attending graduate school because it is a career-first proposition and they want to advance their career above all else; students who have a desire to advance their career but are more conscious of cost and convenience and the intellectually curious students who will attend graduate school simply because they want to learn more about a particular area. Approximately 80 percent of Murray State students fit into one of the first two groups outlined above.
- Information was provided on the general programs each of the three personas are interested in and for current and prospective students with a focus on career first the number one field is business. The second field of interest is education and, not surprisingly, business and education are the two largest graduate programs Murray State offers.
- Education program enrollments have been declining and the primary reason is that the University is under extreme pressure from low-cost providers. A number of competitors are dramatically undercutting the institution on price and as a result students are flowing toward those programs. Confirmation was provided that the University's largest competitor offers an online program. This issue must be reviewed in detail and work is currently underway to determine ways the decline in education program enrollment can be addressed.
- In terms of delivery methods and format preferred by these three groups, there is strong interest in hybrid programs blending traditional and in-class instruction with online and other types of delivery. Survey participants also expressed a great deal of interest in accelerated programs and this verifies what the University is being asked to provide. Students are interested in accelerated programs and within graduate education the University is in the process of developing additional hybrid and online courses and creating accelerated programs. This indicates that the institution is addressing results identified in the survey.

Dr. Curris reported that the graduate data reinforced the survey results provided for the undergraduate study and as Robert Burns once said, "And would some power give us the gift, to see ourselves as others see us." This is particularly true when a clear picture comes to light – Murray is friendly, small and rural and the Racer basketball team is recognized. Quality must become a larger component among these descriptors. Some Murray State programs do have very high quality and are recognized but the data presented today provides the University with the picture that – particularly beyond current students – the institution does not have an image of quality. There will always be cheaper programs and the University will never be able to compete with entities that will sell a degree with no worth. The results of this survey show that reinforcing and strengthening the quality of graduate programs, and marketing those programs, is the work which needs to occur while recognizing the University will not be able to compete for students who are not interested in quality but are more interested in convenience and putting forth the least amount of effort. An attempt does not necessarily need to be made to sway these individuals. Particularly in education, there are people who hire and evaluate the performance of these students – Superintendents, Personnel Directors and Principals – and if they are convinced a Murray State graduate degree is of better quality than a student might receive from some online provider that will, in the long run, sustain Murray State University. This represents a very useful study which provides some clear messages and tells the institution what people think of it. An effort must be made to maintain the good parts and reinforce those areas which are critical.

## **Freshmen Admissions Criteria Report, received**

Mr. Dietz reported the following:

- A committee was established to review freshmen admission criteria and has worked over the past eight months with that charge.
- Four tiers or “buckets” have been identified to consider new freshmen admissions criteria with a goal of implementation in Fall 2016. A meeting will be held on Monday for the Committee to make some final decisions and that information will be shared with the Deans as well as others across campus.
- Tier I represents any freshman student with an ACT score of 18 or higher who has no developmental course requirements and meets all other admission requirements related to grade point average (GPA) and class rank. These students would be unconditionally admitted. Currently unconditional admission does not take into account developmental requirements.
- Tier II – Conditional Admission A - represents those students with an ACT score of 18 or higher, who has one developmental course requirement and meets all other admissions requirements related to GPA and class rank.
- Tier III – Conditional Admission B – represents those students with an ACT score of 18 or higher who have two developmental course requirements but meets all other admissions requirements. These students will be admitted to a Pathways for Success Program which represents a rigid program to provide specific courses which must be taken, in addition to meeting developmental needs and providing tutoring and counseling. The goal of this program is to ensure students transition to their second and third year at Murray State.
- Tier IV represents a certificate program for those who do not clearly meet some of the requirements outlined above. These individuals will go through a program and if they perform well in that program they would be moved into Tier III conditional admission. Currently students who are not successful are being admitted and it is believed this option will attract students who meet some rigor and benchmarks on the ACT who would also be a good fit for Murray State.
- Students with a 15, 16 or 17 ACT who would have traditionally been admitted to the University are being eliminated with the new freshmen admissions criteria. These represent students who are not being successful and are leaving the University with debt but without a degree. This will impact approximately 160 students who would not have been admitted if this criteria were in place Fall 2013 and 2014. These students would be able to attend a community college as an option or could be admitted as a Tier IV student with an opportunity to prove they can do University-level work. These students are not eligible for financial aid and the certificate degree program is a non-degree track.
- Clarification was provided that the data shows students enrolling at Murray State with an ACT below 18 present a clear marker which indicated these students are not successful. This is why the new admissions criteria being proposed pertains to students with an 18 or higher ACT score. This is also in line with the other regional public universities within the Commonwealth.

These reports were presented for informational purposes only and required no Board action.

## **Adjournment**

The Enrollment Management and Student Success Committee adjourned at 12:08 p.m. Chair Waterfield indicated the Board originally planned to go into Closed Session at 11:30 a.m. but lunch has been scheduled for 12 noon and in the interest of time the Board will use that time to conduct its Closed Session.

## **Closed Session**

Chair Waterfield solicited a motion that the Board of Regents go into Closed Session pursuant to Kentucky Revised Statute (KRS) 61.810(1)(c) for the purpose of discussing pending litigation involving Murray State and pursuant to KRS 61.810(1)(f) to discuss matters which might lead to the appointment of an employee. Mr. Williams so moved. Mr. Schooley seconded and the motion carried.

Closed Session began at 12:08 p.m.

## **Reconvene**

Chair Waterfield reported the Board was in Closed Session during lunch but no final action was taken during the Closed Session.

Mr. Williams moved that the Quarterly Board of Regents Meeting and Committee Meetings reconvene in Open Session. Mrs. Guess seconded and the motion carried.

The meetings reconvened at 1:08 p.m. Chair Waterfield reported that following consideration of the first two action items on the Finance Committee agenda the Board would then consider the proposed Campus Tobacco Policy and the Honorary Doctorates proposal to allow for the participation of Dr. Curris who must leave the Board Meeting early.

### **Finance Committee**

**Stephen Williams, Chair**  
**Constantine Curris**  
**Marty Jacobs**  
**Daniel Kemp**  
**Jerry Sue Thornton**

Mr. Williams called the Finance Committee to order at 1:09 p.m. and reported all members were present with the exception of Dr. Thornton.

### **FY 2015-16 Budget Preparation Guidelines, approved**

Dr. Davies reported the following:

- The Board is being asked to approve the budgetary guidelines for fiscal year July 1, 2015, through June 30, 2016. At the December meeting Dr. Davies put forth budget philosophies and priorities directly associated with the strategic planning process to guide the institution over the next five to seven years. Through this process four main areas have been identified: people, places, programs and revenue generations.
- People refers to faculty and staff – with regard to wages and cost-of-living adjustment (COLA) and merit pay (when it can be offered) – and to students in terms of appropriately funded discounts (based on merit) for the Honors Program, Commonwealth Honors Academy, residential colleges and first-year experiences to ensure an investment in people is made.
- Places refers to being good stewards of the University's fiscal assets. This includes deferred maintenance, continued campus improvements and the creation of a sustainable and ongoing enhancement of classroom facilities while implementing best practices for green and sustainable efforts.
- Programs refers to investing in and advancing high quality academic programs, including research, scholarships, the student experience and co-curricular activities. This also includes an investment in technology that will not only lead to more effective teaching and pedagogical learning experiences but also effectiveness and efficiencies within operations.
- Revenue generation represents long-term programs which will provide resources back to the University through student enrollment enhancements, philanthropic activities and the like.
- As the Budget which will be presented to the Board for approval in June is developed, some guidelines or operational budget factors have been included and represent those areas the University must invest in "off the top." The first is salaries and wages. Regent Schooley distributed the results of the Staff Congress Survey and in that report there were many comments about sustainable cost-of-living adjustments. Over the last seven months this has also represented his mantra as President. One of the budget guidelines being advanced is – at a minimum – there will be a 1 percent cost-of-living adjustment (approximately \$850,000), which is equal to what was provided last year. Being able to provide at least a minimum salary increase each year helps to prevent ebbs and flows in salaries and wages and also relates to student tuition. It is hoped even more can be done in terms of salaries and wages but an assumption of a 1 percent minimum increase has been included in work which has occurred to date.
- With regard to salaries and wages, a philosophy (or mechanism) is included that would help the institution avoid some of the unintended consequences from the salary and wage increases provided last year and the decision to have a salary cap and a floor. The floor was a \$250 minimum increase and the cap was a maximum increase of \$1,200 and this created some built-in salary compression. The working philosophy for the next budget is that employees earning \$25,000 or less would receive a 1.5 percent pay increase. The next marginal break would be between \$25,001 and \$100,000 and those employees would receive a 1 percent salary increase. For employees making over \$100,000 they would receive a .5 percent pay increase. If an individual is making \$50,000 they would be provided with a 1.5 percent COLA increase for the first \$25,000 and a 1 percent COLA increase on the next \$25,000 and this represents a philosophy which will be advanced moving forward.
- The University has no option in terms of retirement which represents one of those areas which must be taken "off the top." Retirement expenditures are projected to increase by slightly less than

\$240,000 (both the Kentucky Educational Retirement System and Kentucky Teachers Retirement System).

- Work is currently underway with the University Insurance and Benefits Committee to redesign the health care plan in an effort to keep costs as low as possible while at the same time trying not to diminish coverage. At this time the plan design will take effect on January 1, 2016, but there is currently no associated budgetary figure. This represents an expense which will come off the top.
- Utilities comprise approximately \$6.1 million of the University's budget. Of this total, electrical service accounts for about 70 percent. Conversations are being held with TVA and Murray Electric to discuss rates. It is projected that most rates will actually be stable next year and there will not be a cost increase. However, two major construction projects will be taking place on campus and when one facility is brought online that will represent an increase in square footage and an increase in utility costs. Even though rates may not be increasing the University's electric bill will increase (approximately \$82,500).
- The University's property insurance cost has unexpectedly and significantly increased in premiums over the last year. A review is underway to determine an appropriate mix of deductible increases that will assist with managing premiums and risks. A budget increase of \$150,000 will be recommended to assist with increased premiums and allow time for deductible amounts to be appropriately reviewed. This work represents a risk management tool.
- Legal services contingencies have not historically been included in the budget but it is being proposed that the University have a contingency fund of \$100,000 for this purpose.
- He prefers to overestimate expenses and underestimate revenue. The University is anticipating no increase or decrease in state appropriations and a slight decrease in enrollment. The Board will later consider a 3 percent increase in tuition that will be offset with gifts, etc. but a slightly declining enrollment is also being projected. The administration is projecting no increase in University revenues. Ms. Dudley is a taskmaster in terms of contingency planning and he feels comfortable with the flat revenue projected as well as the budgeting items which are being taken off the top.
- He has received recommendations and proposals from the Vice Presidents and other key leaders and the University's appetite is much grander than its budget but that is to be expected. The University's priorities are people, places and programs but the institution will be investing in revenue generations as it can.
- The timeframe for this work to occur was provided in the Budget Preparation Guidelines and will allow the administration to present to the Board a balanced budget at the June 5 Quarterly Meeting.

Dr. Jacobs expressed appreciation for the process which has been utilized in considering salaries, especially the discussion which has taken place with the Faculty Senate Finance Committee. It has been pointed out that there has been a lag over a five-year period and the overall compounded Consumer Price Index and this acknowledges there has been a lag in terms of salaries and wages over this period of time. As the norm – and the last seven years have been different in terms of the norm – faculty look at their base income and when a cost-of-living increase (CPI) is considered faculty look at it in terms of how their base income may have increased. There is a great deal of conversation taking place about what the CPI looks like and analyzing the annual increase of the CPI over the last number of years. There is the notion that there are many individuals at the University who earn \$25,000 or less and need as high of an increase as can be provided but if the pool remains at 1 percent then somewhere along the way there are going to be people who look at their base pay and their salary increase and determine this does not represent an adequate cost-of-living increase. He compliments that the 1 percent increase represents a minimum floor from which to work. Mr. Schooley echoed this sentiment and believes 1 percent represents a starting point but would like for a COLA system to be established so employees do not receive 1 percent in one year and zero in the next. A plan to provide steady COLA increases must be established but a minimum of 1 percent represents a starting point.

Dr. Curris has always been told there is a difference between consumption and investment. What has been spelled out in terms of need was well done and he believes the Board fully understands all of the issues which exist. From his own experience there is never enough money to meet demands and expectations – or even needs – which have been identified. Over the last two meetings the Board has received reports from Maguire Associates pointing out Murray State needs to strengthen its academic profile and then strengthen its communication. This work is vital for the long-range future of this institution and he would like to see the President make an investment of 'x' amount to strengthen the academic side of the house – whether through new programs or additional faculty – so that the institution can address what it has been told are its perceived weakness. Murray State must have a stronger academic profile and needs to do a better job of marketing that profile to all constituencies. Dr. Davies concurred and indicated the Provost has done a great job in presenting the largest number of recommendations to the Board today. He assured the Board that as this process is undertaken enhancing academic quality is

very much at the forefront. Bowen's Law in higher education is that a university will honorably spend all of the funds it can garner. This is an academic institution and improving academic quality will remain a top priority.

On behalf of the Finance Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, approve the FY 2015-16 Budget Preparation Guidelines and the proposed calendar as presented. Dr. Curris seconded and the motion carried.

### **2015-16 Tuition and Mandatory Fees, authorized**

Dr. Davies reported the following:

- The administration participated in a recent open student Tuition Forum and the information presented in that venue is also being presented today. Approximately 80 students participated in the forum and asked excellent questions.
- A tuition increase of 3 percent was presented to the students which should be no surprise to anyone at this table today. This recommendation falls in line with CPE guidelines set forth two years ago allowing for an 8 percent increase in resident, undergraduate tuition – as long as a tuition increase does not exceed 5 percent in any given year. A 5 percent increase in tuition was approved last year and a 3 percent increase in tuition is being recommended for this year.
- The administration presented proposed tuition rates to the students (with a 3 percent increase and also a slight increase in mandatory fees). This would represent a total increase of \$108 per semester for an undergraduate, resident student. A semester is 16 weeks in length and this represents a \$6.75 increase per week. In regard to a non-resident student, there is a slightly higher percentage increase (total of \$300), not taking into consideration regional discounts. Regional discounts will be factored in and all work is being undertaken within the context of the results of the Maguire Associates report.
- Discussions will continue as the administration developed tuition guidelines for next year. This year – given where the University is with the CPE and legislatively – the institution did not want to make significant changes which varied from those recommended by the CPE and Legislature. Review is being undertaken to determine how the University can change tuition in terms of marketability while allowing it to remain competitive.
- In regard to part-time, resident graduate and non-resident graduate students, fees associated with these groups are not under the CPE guideline perspective. An increase of \$482 is being proposed for resident graduate students and an increase of \$1,358 is being proposed for non-resident graduate students.
- Compared to other public universities in the Commonwealth, Murray State is at the most affordable end of the scale. Kentucky State does not represent an apples-to-apples comparison and due to various nuances that exist they are lower in terms of tuition. Compared to the remaining institutions Murray State is in very good shape and it has also been projected the other universities will increase tuition at the maximum allowable rate. Information was presented showing how Murray State relates to the other regional campuses. The institution would be 4.7 percent below Morehead State, 7 percent below Eastern Kentucky, 15 percent below Northern Kentucky and 22 percent below Western Kentucky University.
- During the Tuition Forum a major question students had is why they even pay tuition in the first place and where those funds go. Discussion centered on specific budget priorities and state appropriations and how that works in relation to tuition and fees. Mr. Dobbs added that most students were understanding and not overly concerned with the proposal being advanced. Most students that are interested in tuition and fees and keep up with the process and were not surprised by the proposal. Dr. Davies' presentation was very beneficial to the students in helping them further understand how the process works.

On behalf of the Finance Committee, Dr. Curris moved that the Board of Regents, upon the recommendation of the President of the University, authorize the 2015-16 undergraduate, graduate and doctoral tuition and mandatory fee rates, representing a 3 percent increase for the 2015-16 academic year, as presented. Mr. Kemp seconded and the motion carried.

### **Adjournment**

The Finance Committee adjourned at 1:32 p.m.

### **Finance Committee – Full Board Action**

### **FY 2015-16 Budget Preparation Guidelines, approved**

On behalf of the Finance Committee, Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the attached FY 2015-16 Budget

Preparation Guidelines and the proposed calendar. Mr. Schooley seconded and the motion carried.

(See Attachment #4)

### **2015-16 Tuition and Mandatory Fees, authorized**

On behalf of the Finance Committee, Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, authorize the attached 2015-16 undergraduate, graduate and doctoral tuition and mandatory fee rates, representing a 3 percent increase for the 2015-16 academic year. Dr. Curris seconded and the roll was called with the following voting: Dr. Curris, yes; Mr. Dobbs, yes; Ms. Green, yes; Mrs. Guess, yes; Dr. Jacobs, yes; Mr. Kemp, yes; Mr. Schooley, yes; Mr. Williams, yes; and Mr. Waterfield, yes. The motion carried.

(See Attachment #5)

### **Policy Change – Campus Tobacco Policy, accepted**

Dr. Davies reported the following:

- At the December meeting the Board approved providing the President with an opportunity to create a Murray State University Tobacco Policy that would prohibit the use of tobacco and tobacco-like products recreationally on all property owned or leased by the University. The policy would not prohibit research, cultural, theatrical or religious activities that would involve the use of tobacco or tobacco-like products.
- The administration empaneled a Tobacco Policy Committee that was advisory in nature with the goal of providing advice, wisdom and guidance to the President not only on the creation of the policy but also throughout its implementation. Policies at other like universities were reviewed and the University of Kentucky was among those studied because it is viewed as one of the national leaders in terms of universities implementing this type of policy.
- The recommended policy has been provided to the Board for review. The policy prohibits the recreational or personal use of all tobacco products on property owned or leased by Murray State. This would include the main campus in Murray, the William Cherry Exposition Center, the farms, the land and facilities owned in Hopkinsville, Paducah, Madisonville, Henderson and all points in between. A decision was made to utilize the Employee Code of Conduct and the Student Code of Conduct to enforce the policy. If an employee continually smokes on campus he or she would have to go through the employee discipline process which includes a verbal warning, a written warning, sanctions and the like. The process is similar under the Student Code of Conduct. One contention with regard to enforcement was that students were more in favor of having a fine instead of utilizing the Student Code of Conduct. The Committee decided not to adopt the fine recommendation because they felt it was more important for this to be an educational process versus a punitive one. The Committee also felt some of the fines being proposed were too low to have any impact. This has led to further discussion because the current Student Code of Conduct includes no fining mechanism. Given the advice and wisdom of students, Dr. Robertson is reviewing that aspect of the Student Code of Conduct and fines may be added to the process at a later date.
- The Tobacco Policy refers to the use of tobacco and tobacco-like products on University property. Policies at 60 percent of universities related to this issue do not allow for smoking or the use of tobacco inside an individual's vehicle while parked on university property while 40 percent of policies at universities allow for the use of tobacco in personal vehicles. The policy being proposed does not allow for smoking or the use of tobacco inside an individual's vehicle while parked on University property. There are exemptions contained within the policy for religious activities and theatrical performances, as well as the process to be followed for requesting such exemptions.
- Another element which was addressed was Murray State employees on property owned and operated by the MSU Foundation. Inside facilities and where those individuals are working would be tobacco-free areas but the University does not have the purview to enforce the policy as it pertains to visitors because the property is owned by the Foundation. If the property is being used for a Murray State event, and people are there for that purpose, the University does have the right to limit tobacco use. Miller Memorial Golf Course represents such a property owned by the Foundation.
- The policy also contains a provision that the President may provide additional and limited exemptions for specific purposes and locations based on unique circumstances not contrary to the spirit of the policy. Such exemptions will be reported to the Board of Regents. Oakhurst will remain a non-smoking campus building during the current presidency.
- At the December meeting the Board also empowered the President to start implementing some initiatives sooner rather than later toward advancing the healthy nature of the University. One of those initiatives was to move smoking areas away from all doors and

entrances to facilities and this work is currently being undertaken. Appreciation was expressed to Mr. Burdette and the Facilities Management team who have already removed the majority of ashtrays from building entrances. As of Spring Break the policy that there will be no smoking within 25 feet of buildings, following LEED certification guidelines, will be implemented. Various other tobacco-free areas will be identified and include the Zen Garden where this work is currently underway.

- With regard to public comments, he has received several letters from tobacco farmers questioning research activities and whether a scholarship donated by a tobacco farmer can still be given. The answer to that question is “yes” and what is being considered is not the proceeds from tobacco but the use of tobacco products on campus. The research and the growing of tobacco crops at the farms and the great work being undertaken by the *Hutson School of Agriculture* will continue. There is also work underway within the health services areas which will move forward.
- A letter received from the Calloway County Farm Bureau states they completely understand there is a need for a tobacco policy for an institution such as Murray State but the agricultural community in which the University is located has a strong economic impact for many families and tobacco production remains a large financial resource for those families. Calloway County is the third largest tobacco-producing county in the state of Kentucky. Tobacco companies have a significant impact on the University through the contribution of grants and scholarships and a change in their decisions in this regard could limit education to others. The statement of zero tolerance was the Farm Bureau’s major concern because they do not feel Murray State has to implement such a policy. Farm Bureau loves the community, the University and community leaders but it also loves the agricultural heritage of the area. The letter was signed by the President of the Farm Bureau – Robert Geurin. Dr. Davies had an email exchange with Mr. Geurin because the statement of zero tolerance was interesting as the policy being proposed does not represent zero tolerance. It allows for the use of tobacco in various circumstances. Mr. Geurin was referring specifically to personal use and Dr. Davies read from his letter as follows: “The policy prohibits any students or faculty members from using products in their vehicles while on University property. Another position would be for programs held at the Cherry Exposition Center and at the Carmen Pavilion by the tobacco farms. Many farm-oriented meetings take place at these two venues and any visitors would be prohibited from using tobacco products. He feels strongly that most workers are respectful and will go to a designated smoking area while smokeless users can use a product without harming anyone else. I understand this is a controversial issue and appreciate the opportunity for my voice to be heard.” Dr. Davies confirmed many of the issues raised by Mr. Geurin were discussed within the Committee of which Regents Dobbs, Schooley and Jacobs were members. Confirmation was provided that a great deal of discussion centered on the Cherry Exposition Center and the CFSB Center.

Chair Waterfield asked where individuals will be allowed to go to smoke. The map provided indicates where individuals cannot go to smoke but not where they can go. As he expressed at the December meeting, his concern is that a student from a residential college will have to go to the center of Waldrop Drive, which is owned by the City, to smoke but they cannot go to the sidewalk next to the street which is campus property. He is concerned about the safety of individuals who want to smoke and where they can go to do so safely and without being assaulted or hit by a vehicle. He has observed there is a dangerous issue occurring in Frankfort and workers are having to go to neighbor’s property or unsafe locations off state property to smoke. He is concerned where students will go to smoke and wants to ensure these areas are not dangers in terms of location, especially at night. He remains concerned that it is not yet known where faculty, staff and students can go to smoke in safe locations. This involves a serious safety issue, including the potential for these individuals to be run over by a vehicle, especially if they are not paying attention to traffic. Dr. Davies indicated this is a very important point which was discussed by the Committee at multiple levels. The neighborhood represents a significant issue and there is an implementation aspect to this work. He received an interesting letter from a Murray State employee who gave a standing ovation in terms of the decision of the Board to move in this direction but she also cringes because she lives across from Woods Hall. The discussion needs to include how the University can work with its neighbors and the Committee is developing this aspect of implementation. Consideration is also being given to the University providing some cleaning services for cigarette butts, etc.

Mr. Dobbs voted against the policy at the last Board meeting although he is on the Tobacco Policy Committee and is concerned about making sure students are as healthy as possible. He also favors freedom of choice and safety. He is not a statistician but a quick search on the American Cancer Society website has a statistic, as of February last year, only about 4 to 7 percent of people are able to quit smoking without medicinal or other help. He understands Murray State is offering several cessation options and he commends this effort. Medical journal studies have reported that approximately 25 percent of smokers who use medicine can remain smoke free for over six months and with additional non-medicinal programs that could increase

to 50 percent. That leaves 50 percent of smokers who will not be able to quit smoking and there are students who simply do not want to quit smoking regardless of any health implications. He has never touched a tobacco product and has no desire to because he understands the associated health effects. He has mixed emotions with regard to this issue but is open to additional discussion and debate. Mr. Schooley indicated he also voted against a Tobacco Free Policy in December because he is concerned about where these individuals will be able to go to smoke safely. He does not particularly want to see smokers lined up along 16<sup>th</sup> Street but believes a smoke-free campus is needed and there is room for designated smoking areas.

Dr. Curris indicated that with all due deference and respect, the Board voted in December to adopt a Campus Tobacco Policy and asked the administration to develop that specific policy. If the Board wants to go back and review this issue again it certainly could but he believes the administration has developed a reasonable approach through the guidelines which have been provided. This will not be a perfect policy and there will need to be implementation and adjustments. The Board approves policy and the administration handles implementation.

Dr. Curris moved that the Board of Regents, upon the recommendation of the President of the University, accept the attached Murray State University Campus Tobacco Policy which has been developed by the administration in accordance with the directions provided by the Board at the December meeting. Ms. Green seconded.

When Dr. Jacobs first considered the Campus Tobacco Policy he favored an improvement plan on campus with the notion of a very clear follow-up to determine whether the campus needed to become tobacco free. The Board was clear on this aspect and he voted to go tobacco free. He was an active member of the Campus Tobacco Committee in terms of the policy and one aspect he took lead on was the notion of a graduated approach to encourage people to move in this direction through cessation programs. The approach the Board has taken – and the administration has been true to – is that the University is moving in a graduated way and hopefully when August arrives everyone realizes the policy implications. The situation on campus will be administratively monitored and the best communication possible will be part of the process. Dr. Davies accepted the recommendation from the Campus Tobacco Policy Committee for areas the University owns, operates and leases to be tobacco free in terms of recreational use and that has been followed to the letter. What Dr. Jacobs is requesting represents a deviation from that plan. Mr. Schooley confirmed he will support the Board's decision but the component he likes is for the policy to be reviewed in one year and every two years after that as needed. Mrs. Guess asked whether there was support for individuals being able to smoke in their vehicles. Dr. Davies confirmed there was robust discussion on this issue but the Committee did not take a significant stance in this regard because vehicles would be located on campus and it would become a difficult enforcement issue. The residential colleges were discussed in depth and the option of allowing smoking in the center of the parking lots at designated hours was considered but was not supported in general by the Committee. Dr. Jacobs reported there has been very good communication associated with this effort and confirmed the vote being taken today would mean the University will be tobacco free as of August 5, 2015, but between now and then a gradual approach is being taken to move in this direction. Dr. Davies confirmed that to be the case and the vote taken in December provided for up to one year for implementation. The decision to become tobacco free on August 5 marks the end of the summer session and is prior to the beginning of the Fall semester, representing a natural break.

All Regents voiced their acceptance of the recommendation, with the exception of Chair Waterfield based on his concerns expressed earlier.

(See Attachment #6)

### **Honorary Doctorates, authorized**

Dr. Davies reported two individuals are being recommended for Honorary Doctorates. These individuals have been recommended by the Honorary Doctorate Committee for this honor. The first is The Honorable Governor Steven Beshear for his outstanding work for higher education, western Kentucky and for leading the Commonwealth. The second nomination is for Dr. Walter Bumphus, a Murray State graduate who has exemplified leadership in higher education and is renowned as one of the top educational spokespersons as well as a leader within the community college arena. Dr. Curris is pleased to make this motion as he knows both individuals. The



Governor has been a strong supporter of this University and most people recognize the strong family ties he has with Murray State. Dr. Bumphus is one of the first African American graduates of this institution, is a native of Lyon County and now heads the American Association of Community and Junior Colleges – the lead organization for two-year institutions in America. These represent two individuals worthy of this honor.

Dr. Curris moved that the Board of Regents, upon the recommendation of the Honorary Doctoral Degree Committee, authorize the awarding of a Murray State University Doctorate of Public Policy to The Honorable Governor Steven L. Beshear and the Honorary Doctorate of Education to Dr. Walter G. Bumphus on a future date. Mr. Williams seconded and the motion carried.

Dr. Curris departed the Quarterly Board of Regents Meeting and Committee Meetings at 2:05 p.m.

### **Finance Committee – Reconvened**

Mr. Williams reconvened the Finance Committee at 2:05 p.m.

### **Professional Master of Business Administration (PMBA) Program Modifications, approved**

Dr. Morgan reported the following:

- A proposal is being presented to the Board today for modifications in the University's Professional Master of Business Administration Program. In 2007 the *AJB College of Business* proposed, and the Board approved, an accelerated Master of Business Administration. This represents a customized, 18-month Professional Master of Business Administration Program to be offered at the four regional campuses.
- Key elements of the 2008 PMBA Program were:
  - A minimum of 20 students at each regional campus would sustain the program
  - Program would be offered on weekends (Friday nights and Saturdays).
  - Total program cost would be \$18,875 (inclusive of all books and materials) for 30 hours of graduate courses and three credit hours of four key MBA Survey/Foundation courses covered under BUS 695.
  - A PMBA Program fee of \$675.
  - A PMBA non-refundable deposit of \$250.
- Since 2007 no programmatic adjustments have been made. The administration is proposing the following changes:
  - Name Change: Effective for future cohorts, the program will be named "The Accelerated MBA Program" to more accurately reflect industry best practices.
  - New Investment: The cost of the program will increase to \$25,000 which includes tuition, fees and books. Over the life of the program if a 4 percent tuition increase had been applied each year to the cost of this particular graduate program this would have amounted to a total program cost of \$24,838. Permission is being requested to raise the tuition level to the rate it would have been had those tuition increases been applied over the life of the program.
  - The \$250 non-refundable deposit will be eliminated.
  - The standard graduate application fee, which is currently \$40, will be charged to each applicant.
  - The \$675 program fee will be eliminated.
  - All other aspects of the Accelerated MBA Program will remain the same including, but not limited to, admission requirements, delivery mode and meeting times.

In response to a question regarding how these changes would affect program enrollments Dr. Morgan reported the cohort has been rotated through a number of different regional markets. The program is currently being offered in the Hopkinsville market and next year the plan is to move into the Paducah market with a new cohort. The program will be offered at the *Paducah Regional Campus* which has typically been a strong campus for Murray State. Consideration will be given to future markets to dual purpose some other regional campuses instead of placing the program on just one campus. Experts in the discipline have provided assurance that the demand will be there. The cost for similar programs offered by regional and out-of-state competitors is much higher than \$25,000 and can go up to as much as \$100,000. The University continues to be a good cost provider within this market. Gerry Muuka, Associate Dean and Professor, *AJBCOB*, reported there are currently 16 students completing this program in Hopkinsville and those individuals will continue in the program at the old tuition rate. The new rate will be instituted for students enrolling in the program when it is offered in Paducah.

On behalf of the Finance Committee, Dr. Jacobs moved that the Board of Regents, upon the recommendation of the President of the University, approve the proposed modifications to the Professional Master of Business Administration Program as outlined, effective for the 2015 Paducah cohort. Mr. Kemp seconded and the motion carried.

### **Property Acquisitions, approved**

Ms. Dudley provided an aerial overview of the campus to illustrate where the two properties being proposed for purchase are located in relation to other properties the University already owns. Confirmation was provided that 1632 Olive Street is adjacent to property already owned by Murray State. Also included on the overview were property purchases made throughout the year. This property on Olive Street represents a medium priority purchase for the University and there is a structure on the site which will be retained. The second property being proposed for purchase is 909 Waldrop and this property runs through the residential college complex. Once this property is purchased the University will own all property on Waldrop down to Highway 121. There is also a structure on this site which will be retained.

#### **1632 Olive Street**

On behalf of the Finance Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, approve the University's purchase of the property located at 1632 Olive Street in Murray, Kentucky. Dr. Jacobs seconded and the motion carried.

#### **909 Waldrop**

On behalf of the Finance Committee, Dr. Jacobs moved that the Board of Regents, upon the recommendation of the President of the University, approve the University's purchase of the property located at 909 Waldrop in Murray, Kentucky. Mr. Kemp seconded and the motion carried.

### **Tennessee Valley Authority (TVA) 5MR Contract, authorized**

Ms. Dudley reported that at the December meeting the Board discussed the TVA contract in terms of plans which have been made to date and the administration was asked to consider developing further plans. Considerable discussion has taken place with Regent Curris regarding the TVA contract. In addition to what was presented earlier, Dr. Curris asked that the Board be presented with information regarding what TVA has changed in terms of their electrical capacity from the incident last January to now. Mr. Burdette has had numerous conversations with TVA regarding capacity and will cover that aspect of the contract as well as lessons learned.

Mr. Burdette confirmed he has reviewed the TVA contract enacted in 2010. He believes this campus is ready should the University lose power. Employees have been trained, tests have been conducted and supplies are on hand that were not available before. On January 7 the University was on notice from TVA that it might lose power although that did not occur. Last week the University was also notified it might lose power but, again, that did not occur. On Saturday, January 10 at 7 a.m. Ms. Dudley turned the power off to campus. While the power was down over 40 generators were tested and the generator for the residential colleges kicked on as expected. He is confident the University is able to maintain power in an emergency situation and the system will be tested on a monthly basis. Personal relationships have now been established with TVA engineers and Murray Electric and Dr. Davies hosted a luncheon last week in Murray which included these individuals. The TVA contract is a good business decision because it represents an approximate \$400,000 savings per year and those funds are being used wisely. TVA was not prepared for the storm which occurred one year ago in the sense that production capacity was down while demand was up. TVA was not able to respond to the demand with full production capacity but is now ready.

The 5MR contract was initially offered in anticipation of a summer brown out period but has now been used during the winter. He is confident TVA, with their current production capacity, will be able to meet demand. A recommendation is being made to the Board to grant permission to the administration to begin negotiations with TVA this summer. This could represent the last cycle for 5MR contracts. If the Board allows the administration to negotiate and it is discovered

this represents a good business arrangement, the University would be committed to the contract for three to five years, but no more than five years. This will likely be the last such contract offered because TVA is considering making a change on commissions that are allowed but any action will take place on October 1 or later. If the terms of any new model offered by TVA are more favorable than the 5MR agreement the University would be allowed to move to the more favorable model.

On behalf of the Finance Committee, Mr. Kemp moved that the Board of Regents authorize the President or his designee to seek renewal of the existing Tennessee Valley Authority contract; such renewal to be protective of Murray State University and not to exceed five years. Dr. Jacobs seconded and the motion carried.

### **Current and Planned Personal Services Contracts, approved**

Ms. Dudley reported that the administration is seeking approval for a contract for legal services which represents a contingency which should be in place should the University need it. The amount of the contract is over \$10,000 and requires Board approval. Confirmation was provided that the amount of the contract is the same as the amount of the University's insurance.

On behalf of the Finance Committee, Mr. Kemp moved that the Board of Regents, upon the recommendation of the President of the University, approve the current and planned Personal Services Contracts as presented. Dr. Jacobs seconded and the motion carried.

### **Data Security Presentation, received**

Ms. Dudley reported that in light of recent events Chair Waterfield asked for the Board to be provided with an update on how the University handles security and what is being done to protect data and systems. Brian Purcell, Data Security Officer and Interim Chief Information Officer, presented the following:

- Information security on a university campus is interesting and very different. There is an extremely broad range of constituents on campus – faculty, staff, students and visitors – as well as a broad range of networks from open guest networks to protected networks which must be supported. There is a wide variety of protected data which ranges from health information to credit cards.
- There are 2.5 FTEs dedicated toward data security in Information Systems and those duties are spread across four staff members. The mission of this unit is to foster an environment that protects and preserves the confidentiality, availability and integrity of the University's data.
- Audits are conducted on a frequent basis and an effort is made to review every application before it is implemented to ensure proper security controls are in place. Web application security testing is also undertaken for those applications. Regular scans of the University's network are conducted and include a scan for personal information on web servers to ensure confidential information is not posted. Searches for misconfigured network shares are also conducted to ensure people are not sharing information on the local network in a manner that is unsafe. The data security team also looks for general vulnerabilities. Some audits are conducted on a monthly basis while others are conducted on a bi-monthly basis.
- Penetration testing is common in the information security world and involves the University acting as the "bad guys" to determine how such individuals might access various systems. This provides the University with an opportunity to address those potential avenues of attack.
- Authentication is a significant issue involved in this work and part of the recent focus on information security is due to what occurred with Anthem. In that case an individual obtained credentials – a user name and password for a security administrator – and used this information to access personal data. Care must be taken in terms of how authentication is undertaken and how user names and passwords are protected, especially for those individuals who have heightened privileges and the ability to oversee the administration of databases and data. This is taken very seriously at Murray State and a system has been implemented which requires two forms of authentication for all administrators. In order to access the University's databases and make changes to the servers that house data more than just one user name and password are required. It is very easy for someone to get another person's password and most times the bad guys use the easiest method of all – they simply ask for the information. Phishing remains one of the biggest ways to secure this information not only in one's personal life but also within businesses. When asked for this information people provide it because it is very difficult to tell the difference between a real email and a phishing email because the bad guys have gotten good. The two factor authentication requires more than just a user name and password and could also require a person's cell phone number. Having a second form of authentication is being advanced heavily at Murray State as a means of protecting the servers.
- Log management and analysis is also undertaken to track what happens. One of the ways to find when the bad guys are on campus is to review the logs and focus is being placed on this area.

- The unit is also responsible for leading efforts in disaster recovery and business continuity which is the availability part of this equation by making sure people can still use their systems and data is not lost.
- If all of the initiatives outlined above are unsuccessful the unit is faced with incident response. Inevitably there will be incidents and when those occur the unit must gather forensics and data. New legislation in Kentucky – House Bill 5 – now requires new notification requirements to be addressed.
- Litigation discoveries for General Counsel are also undertaken as needed.
- In planning for the future, one of the things currently in place (that the unit has been working on for some time) is the adjustment of workstation rights. This is being implemented across campus at various levels and represents a technique being used across the country not just in universities but also in businesses as a means of avoiding malware. The goal is to reduce risk by limiting opportunities for malware to get onto the University's system which assists with availability, confidentiality and integrity.
- There is also a desire to expand two factor authentication beyond system administrators into other areas and how sensitive data is handled. In a higher education setting social security numbers were used extensively until about 10 to 15 years ago and served as student and employee identification numbers. A lot of information collected before that period has been retained and an effort must be made to find such information to ensure it is protected. This work will be accomplished through user education and training individuals who must handle such data how to do so securely. Better encryption algorithms will be offered and scanning efforts to find such information will be expanded.
- There is a desire to improve change management and asset management. This involves keeping computer systems as safe as possible and ensuring the proper change control and asset management pieces are in place. It must be known what software is being used on campus and what data exists so appropriate security controls can be applied.

This report was presented for informational purposes only and required no Board action.

### **Adjournment**

The Finance Committee adjourned at 2:30 p.m.

### **Finance Committee – Full Board Action**

#### **Professional Master of Business Administration (PMBA) Program Modifications, approved**

On behalf of the Finance Committee, Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the proposed modifications to the Professional Master of Business Administration Program as outlined below, effective for the 2015 Paducah cohort.

- 1) Name Change: Effective for future cohorts, the program will be named “The Accelerated MBA Program” to more accurately reflect industry best practices.
- 2) New Investment: The cost of the program will increase to \$25,000 which includes tuition, fees and books.
- 3) The \$250 non-refundable deposit will be eliminated.
- 4) The standard graduate application fee, which is currently \$40, will be charged to each applicant.
- 5) The \$675 program fee will be eliminated.
- 6) All other aspects of the Accelerated MBA Program will remain the same including, but not limited to, admission requirements, delivery mode and meeting times.

Mr. Kemp seconded and the roll was called with the following voting: Mr. Dobbs, yes; Ms. Green, yes; Mrs. Guess, yes; Dr. Jacobs, yes; Mr. Kemp, yes; Mr. Schooley, yes; Mr. Williams, yes; and Mr. Waterfield, yes. The motion carried.

### **Property Acquisitions, approved**

On behalf of the Finance Committee, Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the University's purchase of the properties located at 1632 Olive Street and 909 Waldrop in Murray, Kentucky. Mr. Kemp seconded and the roll was called with the following voting: Mr. Dobbs, yes; Ms. Green, yes; Mrs. Guess, yes; Dr. Jacobs, yes; Mr. Kemp, yes; Mr. Schooley, yes; Mr. Williams, yes; and Mr. Waterfield, yes. The motion carried.

### **Tennessee Valley Authority (TVA) 5MR Contract, authorized**

On behalf of the Finance Committee, Mr. Williams moved that the Board of Regents authorize the President or his designee to seek renewal of the existing Tennessee Valley Authority contract; such renewal to be protective of Murray State University and not to exceed five years. Mr. Kemp seconded and the roll was called with the following voting: Mr. Dobbs, yes; Ms. Green, yes; Mrs. Guess, yes; Dr. Jacobs, yes; Mr. Kemp, yes; Mr. Schooley, yes; Mr. Williams, yes; and Mr. Waterfield, yes. The motion carried.

### **Current and Planned Personal Services Contracts, approved**

On behalf of the Finance Committee, Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the current and planned Personal Services Contracts listed in the attached document. Mr. Dobbs seconded and the roll was called with the following voting: Mr. Dobbs, yes; Ms. Green, yes; Mrs. Guess, yes; Dr. Jacobs, yes; Mr. Kemp, yes; Mr. Schooley, yes; Mr. Williams, yes; and Mr. Waterfield, yes. The motion carried.

(See Attachment #7)

### **Institutional Advancement Committee**

**Susan Guess, Chair**  
**Sharon Green**  
**Marty Jacobs**  
**Jenny Sewell**  
**Jerry Sue Thornton**  
**Stephen Williams**

Mrs. Guess called the Institutional Advancement Committee to order at 2:33 p.m. and reported all members were present with the exception of Mrs. Sewell and Dr. Thornton.

### **Office of Community Relations and Alumni Affairs Update, received**

Mark Welch, Director of Community Relations and Alumni Affairs, reported the following:

- In his community relations role – primarily through Town & Gown – a quasi-endowment has been established for the Town & Gown Retention Scholarship which will be awarded to returning sophomore students who live on campus and are graduates of Murray High or Calloway County high schools.
- Alumni Affairs is organizing events for the Ohio Valley Conference Tournament and details can be found on [murraystate.edu/racertradition](http://murraystate.edu/racertradition). Regents are invited to attend all events.
- Three Distinguished Alumni have been selected from 12 superior nominations. The first recipient is David Dill, a 1990 business graduate who is now President and Chief Executive Officer of LifePoint Hospitals in Brentwood, Tennessee. In 2009 Mr. Dill and his wife Ashley made a significant pledge establishing a Distinguished Professorship of Accounting. The second Distinguished Alum is Lucretia McClenney who is a retired U.S. Army Colonel and a 1972 nursing graduate. She served in a number of leadership roles in the European Medical Command and following retirement served as Principal Advisor to the Secretary of Veterans Affairs. Currently she is a consultant with the Department of Defense-Vietnam War Commemoration Office and is an Executive Coach for the Brookings Institute Executive Education Program. In November she was a panel speaker for Murray State's Global Alumni Lecture Series. The final recipient is Holly Bloodworth, a 1985 graduate with a Bachelor of Science in Education and a 1992 graduate with a Master of Arts in Education. Ms. Bloodworth is a local educator with 27 years' experience and was the first Distinguished Practitioner in the College of Education and Co-Director of the Kentucky Reading Project. In 2013 she was selected as the Kentucky Teacher of the Year. The Distinguished Alumni will be celebrated on the evening of April 10 at the post-Investiture Banquet.
- A new initiative this year is to connect the Golden Horseshoe Awards with the Golden Class. The University will recognize the Class of 1965 at Homecoming and Bob McGaughey is leading the Steering Committee organizing those events. Two other members of that class are former members of this body – Bill Beasley and Jack Rose. Typically 30 to 40 members of the Golden Class participate in the event but the goal this year – by combining the two groups – is to attract 100 participants.
- Work is taking place with the offices of Development and Branding, Marketing and Communication to produce alumni profiles that will be promoted throughout the area. Alumni Affairs, Development

and the Office of Recruitment are also working together on a July 29 event that will attract students who will be attending Murray State, as well as donors and alumni.

This agenda item was presented for informational purposes only and required no Board action.

### **Office of Development Update, received**

Tina Bernot, Interim Executive Director of Development, reported the following:

- The Office of Development has experienced a successful semester and fiscal year and has received approximately \$2.48 million year-to-date. The University is currently in the quiet phase of a Capital Campaign and while the Office of Development has not been undertaking a great deal of major gift fundraising for projects at this point, there are some significant gifts coming in.
- A major estate gift has been received from Joe W. Parker of Parker Ford in Murray. His new scholarship will support students in all six departments of the *AJBCOB*. Dr. Louis Boyd has established an Endowed Scholarship in honor of his wife Rebecca which will be used to help fund freshmen in agriculture. John Ryan, a 1981 graduate from the *Jones College of Science, Engineering and Technology*, is establishing an Endowed Scholarship in memory of his brother Dan who was a Murray State nursing graduate who recently passed away. A number of other scholarships are being developed. All are appreciative of gifts which are being received.
- Last night the Office of Development launched its first Crowdfunding Campaign: [www.raceralumni.com/bebold](http://www.raceralumni.com/bebold). The project has been live for 20 hours and is 12 percent funded. Money is being raised to produce a CD for the Murray State Jazz Orchestra. This represents a new way to engage younger alumni in the development process.
- Hilliard Lyons has made a gift to the *AJBCOB* for a Premium LED Securities Ticker.
- Approximately \$100,000 in gifts has been received for Lovett Auditorium and the University is currently in Phase II of renovation projects for that facility. Recent gifts will support a new stage curtain and LED stage lighting. The amount of money the lighting alone will save the University is considerable and they will pay for themselves within five years.
- A gift of 300,000 negatives from the Kenneth Wells Estate has been received and will be housed in Pogue Library. Mr. Wells was a photographer for the Murray State Shield so these represent great historical photos that will now be in the University's possession.
- Dr. Ruth Cole's estate gift will be received shortly for the School of Nursing and Health Professions. This gift will be used to fund scholarships and a professorship in Dr. Cole's name.
- The *Carter's Kids on Campus* fund has been established in honor of the late Jim Carter and the University was fortunate to have Mr. Carter's help in bringing this project to fruition. Approximately \$21,000 has been raised in support of this effort with an overall goal of \$100,000.
- Many members of the Board have already donated to this fund but Ms. Bernot has gift cards available if anyone would like to make a gift.
- The Office of Development is always in campaign mode and Mr. Carter started an idea of having "More Feet on the Street." This represents an initiative which will ramp up the number of development visits to major gift prospects to increase the number of project proposals and scholarship solicitations. Development also plans to engage major gift prospects on campus through various events and classroom activities, explore partnerships with regional service clubs for scholarship funds and partner with the offices of Alumni Relations and Branding, Marketing and Communication to develop alumni/donor profiles.
- The Office of Development will focus on improving annual giving numbers through crowdfunding projects and re-energizing the direct mail campaign with innovative student-centered pieces.
- Data is very important to Development efforts, especially as the University is preparing for a Capital Campaign. The office is working with LinkedIn to improve employment information for Murray State alumni. The University has 24,000 alumni on LinkedIn and through working with the company was able to access public profiles of approximately 15,000 alums. This represents a great resource to gather accurate information because people are putting their most current employment information on that site. An investment will be made in staff training on the current system – Agilon One.

Dr. Davies expressed appreciation to Ms. Bernot and Mr. Welch for stepping in and doing a yeoman's job. All are looking forward to having the Alumni and Development teams working more closely together and these two individuals will make that happen.

This agenda item was presented for informational purposes only and required no Board action.

### **Adjournment**

The Institutional Advancement Committee adjourned at 2:29 p.m.

### **Regional Services Committee – Mrs. Sewell – No Report**

### **Gift-in-Kind Report – Branding, Marketing and Communication, received, accepted and approved**

Dr. Davies reported that the University has received a gift-in-kind from NewPage Corporation of Wickliffe, Kentucky, for nearly \$13,000 worth of paper which was used for printing the Alumni Blue and Gold Magazine.

Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, receive, accept and approve the report of the donation of 17,000 lbs. of 70# Vision Text Paper and 16,000 Sheets of Matte Text Paper valued at \$12,995, which was donated by NewPage Corporation of Wickliffe, Kentucky. Mrs. Guess seconded and the motion carried.

### **Personnel Changes, approved**

Dr. Davies reported that two employment contracts are being considered which fall under the Athletic realm. The first is for the Head Football Coach and, as the Board is aware, at the end of last season Coach Hatcher accepted a position at another institution and while all wish him luck the Racers will be sure to beat him if the two ever play. Through the planning efforts of Coach Hatcher and Athletic Director Allen Ward there was a successor in the wings – Coach Mitch Stewart. For the past several years Coach Stewart has guided the offense and has led the conference, as well as the nation, in many statistics including scoring, effectiveness and yards. He has been listed as one of the most up-and-coming coaches and was receiving attention from other institutions. It was important for the University to secure Coach Stewart – literally within 24 hours of Coach Hatcher's departure. He hit the floor running and the 25 recruits he signed on February 4 represent stellar athletes and students. Coach Stewart has also been able to recruit some outstanding Defensive Coordinators. The proposed salary is \$145,000 and his contract is very similar to Coach Hatcher's former contract.

### **Appointment of Head Football Coach**

Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the employment of David Mitch Stewart as Head Football Coach, effective January 1, 2015, through December 31, 2018, at a minimum annual salary of \$145,000 and pursuant to such other terms and conditions, including terms and conditions for contract extension, as determined by the President to be in the best interests of Murray State University. Mr. Kemp seconded and the roll was called with the following voting: Mr. Dobbs, yes; Ms. Green, yes; Mrs. Guess, yes; Dr. Jacobs, yes; Mr. Kemp, yes; Mr. Schooley, yes; Mr. Williams, yes; and Mr. Waterfield, yes. The motion carried.

### **Contract Extension for Head Men's Basketball Coach**

Dr. Davies indicated the next recommendation represents a preemptive strike in an attempt to be proactive. Seven months ago when he became President of Murray State he sent a campus email to faculty, staff and students asking what he needs to do during the first six months of his tenure. He received quite a few responses indicating the University needs to retain Coach Prohm. Due to the interesting nature of coaches and their fluidity in terms of their contract, Coach Prohm's excellent record on the court as well as off the court, his ability to recruit quality students and the fact that he is being mentioned in various national lime lights, the Board is being asked to delegate to him – as President of the institution – the authority and responsibility to negotiate an extended employment contract with Coach Prohm at the end of the season. The Board is also being asked to delegate the responsibility and authority to Chair Waterfield to act on that contract once it is presented by the President and within the natural standards of a coach of a mid-major university. The Board is also being asked to delegate to the Chair the authority to ratify any agreement as necessary. Chair Waterfield and President Davies will then bring the contract to the Board as a report and, if necessary, any action at the June Quarterly Meeting. This work will occur at the end of the Racer basketball season.

Mr. Williams moved that the Board of Regents delegate to the President of the University the authority and responsibility to negotiate an extended employment agreement with Mr. Steve Prohm, Head Men's Basketball Coach. The Board further delegates to the Chair of the Board of Regents the authority to act on the proposed agreement on behalf of the Board. The Board also delegates to the Chair the authority to ratify said agreement as necessary. The Board will receive

a report on the extended contract at the June 5, 2015, Quarterly Board of Regents Meeting. Mrs. Guess seconded and the roll was called with the following voting: Mr. Dobbs, yes; Ms. Green, yes; Mrs. Guess, yes; Dr. Jacobs, yes; Mr. Kemp, yes; Mr. Schooley, yes; Mr. Williams, yes; and Mr. Waterfield, yes. The motion carried.

Salary Roster

Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the Salary Roster as of December 31, 2014, which includes new employment, retirements, resignations and terminations. Mr. Schooley seconded and the roll was called with the following voting: Mr. Dobbs, yes; Ms. Green, yes; Mrs. Guess, yes; Dr. Jacobs, yes (exclusive of salary as per Kentucky Revised Statute); Mr. Kemp, yes; Mr. Schooley, yes; Mr. Williams, yes; and Mr. Waterfield, yes. The motion carried.

2015-16 Faculty Sabbatical Leaves

Dr. Davies reported that all faculty being recommended for Sabbatical Leaves have been fully vetted at the appropriate approval levels.  
Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, grant the requests for Sabbatical Leaves for the faculty and periods indicated below and as recommended by all appropriate recommending levels:

<u>NAME / DEPARTMENT</u>	<u>EFFECTIVE</u>	<u>SALARY</u>
<b>MARTIN MILKMAN</b> , Management, Marketing and Business Administration	1/1/16-5/15/16	full salary / 1 semester
➤ Improve classroom teaching, learning effective technology to enhance student learning in the classroom.		
<b>SHARON GILL</b> , Early Childhood and Elementary Education	8/15/15-12/31/15	full salary / 1 semester
➤ Write a textbook on the teaching of reading in the elementary school.		
<b>RUSTY JONES</b> , English and Philosophy	8/15/15-12/31/15	full salary / 1 semester
➤ Complete the introduction and two chapters of a book in order to receive a contract.		
<b>PAUL WALKER</b> , English and Philosophy	8/15/15-5/15/16	half salary / 2 semesters
➤ Applied for a Fulbright Teaching Fellowship at the University of Zadar, Croatia, to teach American Studies. If Fulbright is not received will withdraw application for sabbatical.		
<b>MICHAEL FLINN</b> , Biological Sciences	8/15/15-12/31/15	full salary / 1 semester
➤ Publishing research and grant writing will be the focus of this leave.		
<b>KATE HE</b> , Biological Sciences	1/1/16-5/15/16	full salary / 1 semester
➤ Conduct a funded research project at the Biodiversity Institute of Fudan University in Shanghai, China.		
<b>WAFAA FAWZY</b> , Chemistry	8/15/15-5/15/16	half salary / 2 semesters
➤ Explore two new research projects in collaboration with colleagues at Emory University and at NIST and working as visiting faculty at each location for one semester.		
<b>DAVID ROACH</b> , Mathematics and Statistics (DEFERRED FROM 2014-15)	8/15/15-12/31/15	full salary / 1 semester
➤ Research in Approximation Theory with the results finalized for a manuscript, which would also be presented at conferences.		

Mrs. Guess seconded and the roll was called with the following voting: Mr. Dobbs, yes; Ms. Green, yes; Mrs. Guess, yes; Dr. Jacobs, yes; Mr. Kemp, yes; Mr. Schooley, yes; Mr. Williams, yes; and Mr. Waterfield, yes. The motion carried.

Staff Leaves of Absence Without Pay

Mr. Schooley moved that the Board of Regents, upon the recommendation of the President of the University, approve the Staff Leaves of Absence Without Pay that have been processed as of January 30, 2015, as listed below:

<u>Name</u>	<u>Department</u>	<u>Effective Date</u>
Adrian Benton	Office of Recruitment	11/14/2014-12/16/2014
Sharon Crouch	Industrial & Engineering Tech.	9/22/2014-10/31/2014*



Vanessa Davis	Facilities Management	1/6/2015-1/9/2015 11/4/2014-11/4/2014 11/10/2014-11/18/2014
Rita Finley	Public Safety	11/11/2014-12/31/2014 1/5/2015-4/5/2015
Tina Flener	Procurement	8/28/2014-12/29/2014 1/5/2015-6/30/2015
Allison Graham	Human Resources	11/11/2014-11/19/2014*
Larry Thurman	Curris Center	11/6/2014-12/31/2014
Joel West	Facilities Management	11/14/2014-12/15/2014
Jessica Womack	Breathitt Veterinary Center	10/2/2014-11/3/2014*

\*Intermittent Leave

Mrs. Guess seconded and the motion carried.

### **Policy Changes, approved**

#### **Faculty Handbook Section 2.16.3.8 – Summer Session Compensation**

Dr. Morgan reported that a modification in the Summer Session Compensation Policy is being proposed. Assurance was provided that the recommended changes have been processed through the requisite committees on campus.

Mr. Williams moved that the Board of Regents, upon the recommendation of the President of the University, approve the revision to the *Faculty Handbook Section 2.16.3.8 – Summer Session Compensation* – as outlined on the attached proposal. Mr. Kemp seconded and the roll was called with the following voting: Mr. Dobbs, yes; Ms. Green, yes; Mrs. Guess, yes; Dr. Jacobs, yes; Mr. Kemp, yes; Mr. Schooley, yes; Mr. Williams, yes; and Mr. Waterfield, yes. The motion carried.

(See Attachment #8)

#### **Faculty Handbook Section 1.7 – Submission of Proposed Amendments and Additions Report and Faculty Handbook Bylaws – Section 1.4.2.2. – Article V – Election of Departmental Senators Report, received**

Dr. Morgan reported that these two recommendations represent housekeeping issues within the *Faculty Handbook*. The recommended changes do not substantively affect any campus processes.

(See Attachments #9 and #10)

These agenda items were presented for informational purposes only and required no Board action.

#### **Board of Regents Policy Manual – New Travel Policy, approved**

Dr. Davies reported the Internal Auditor brought to the attention of management that it would be beneficial for the configuration of the Board of Regents budget to be undertaken in a more cohesive way and in order to do so it would be beneficial to implement a Travel Policy for members of the Board of Regents. Currently there is no policy in terms of what travel is permitted and how trips are authorized for members of the Board. The policy indicates Kentucky rules, regulations and laws will be followed and for all regularly-scheduled Board meetings the University will pay for travel expenses for Board members to and from the meeting within the state of Kentucky. Dr. Thornton lives in Ohio and the University will pay the equivalent of mileage from the closest distance of the Kentucky border to Murray and return. This represents statute and is how the University has been operating up to this point. All Board travel for scheduled meetings and the Council on Postsecondary Education Trusteeship Conference would not require prior authorization. These meetings carry with them an expectation that Board members will attend and do not require prior authorization. If members

of the Board are traveling for other events which fall outside of those just mentioned, they will need to secure written Chair authorization approving their travel in advance. If the Chair of the Board is unavailable, the Chair of the Finance Committee would serve as a surrogate approver. Travel for the Board Chair will be authorized by the Chair of the Finance Committee. The Ohio Valley Conference represents a pre-approved event and has been approved in writing by the Board Chair. If a Regent wants to travel to a different conference or to Frankfort on Regent business, such trips would need to be pre-approved. Regent travel does not represent a large dollar amount but it is more of an issue of having checks and balances in place to prevent any possible perception of impropriety. There have been no issues and there are no audit findings in this regard. The proposed policy simply addresses a situation the Internal Auditor and others have indicated could cause the University damage in the future. All agreed this represents good practice and would help the administration more accurately budget for Regent travel.

Mr. Williams moved that the Board of Regents approve the attached Travel Policy for members of the Murray State University Board of Regents, effective immediately. Mr. Dobbs seconded and the motion carried.

(See Attachment #11)

### **Resolution of Appreciation, adopted**

Mr. Kemp moved that the Board of Regents formally adopt the Resolution of Appreciation presented earlier for James F. (Jim) Carter. Mrs. Guess seconded and the motion carried.

### **Adjournment**

There being no further business to be brought before the Board, Mr. Schooley moved that the Quarterly Board of Regents Meeting and Committee Meetings adjourn. Mr. Williams seconded and the motion carried. Adjournment was at 3 p.m.

Secretary



Chair



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